

**WORLD NEWS** 

# Strike to hit | Computer live BBC-TV tomorrow

BBC live television broadcasts be lut from midnight tonight as electricians strike over a long-running pay and

productivity dispute.

The strike will affect programmes such as Newsnight, the Terry Wogan show, outside broadcasts and programmes in production. The BBC said it would try to maintain its full range of programmes. The Arsenal - Tottenham Hotspur match may still be shown live

The BBC said no talks were planned with the EETPU union. which voted in December to strike but delayed the action so Christmas and New Year programmes would not disrupted. Back Page

### 18 die§in air crash A Spanish Air Force aircraft

crashed into the sea off Equa-torial Guinea, West Africa, killing all 18 passengers and

### Hurd New Year probe

Home Secretary Douglas Hurd called for a report on New Year violence in several towns which left 60 police officers

IRA attacks base twice A security force base in the Northern Ireland border village of Crossmaglen came under IRA mortar bomb attack twice within

an hour. No one was hurt in

### either bombing. Reagan 'ill-informed'

Retiring US House Speaker Tip O'Neill said President Reagan was the most-ill-informed of the eight presi-dents he was known, and Presi-dent Carter the most talented. Challenge, Page 2

### Chad troops' victory

The Chad government said its troops recaptured the key northeastern oasis town of Fada

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h the extinct

id in learning to

nderd to be table to

from Libyan forces Tanks sabotaged Saboteurs have damaged more than 160 US-built tanks in a Nato maintenance camp in Luxembourg, Defence Minister

### Marc Fischbach said. Pag

Santiago curfew ends Chile's military government ended the two-year-old night-time curfew in Santiago.

# Storms hit east US

high winds and flooding, and high tides caused by syzygy—a rare alignment of the Earth, sun and moon. Sunday paper reshuffle

Fierece storms swept up the

US east coast bringing snow,

The News on Sunday, the tab-loid newspaper to be launched in the spring, reshufiled its management team after the resignation of editor-in-chief John Pilger. Page 3

### **Surgery for Elton**

British rock singer Elton John is to have exploratory throat surgery in Sydney next week and has cancelled all performances for 1987.

### BUSINESS SUMMARY

# thieves raise their stakes

THE average amount stolen by computer fraud in the UK has risen eight rimes in three years, from £31,000 in 1983 to £262,000 last year. The maximum loss recorded has increased from £500,000 to £10m.

The figures come from Computer Related Fraud Casebook. The authors who took work for

The authors, who took work for BIS Applied Systems, say many companies are reluctant to prosecute computer criminals. Back Page.

HERALD and Weekly Times' board recommended acceptance of an improved offer by Robert Holmes à Court valuing the Meibourne-media group at A\$2,025bn (£908m). Rival bidder Rupert Murdoch indicated he would let shareholders decide the issue. Back Page;

Analysis, Page 9

CANNON film group, rescued by Warner Communications last month, is to proceed with plans for up to 10 multi-screen cinemas in the UK. Back Page

GOLD rose \$121 an ounce in London to close at \$403.25, reflecting a sharp overnight rise in New York and weakness in the dollar Commodities markets, Page 9

LONDON EQUITIES early losses were stemmed when Wail Street opened sharply higher. The FT Ordinary Share Index closed 6.3 up at 1,320.2, giving a rise over the shortened trading week of 19 points. Page 11

NEW ISSUE activity was boosted to a record level in London in 1986 by the flotations of British Gas and TSB, according to merchant bank Samuel Montagu. Page 3

FLEMISH politicians attacked the Belgian Government's plan to cut 8,200 jobs in the country's troubled coal industry.

Party, kept its lead over its Bank of England to announce Communist rival in workers the issue of £1bn of new stock. elections. Page 2

ROYAL Ordnance: The Government has short-listed four potential buyers and will invite them to inspect munitions plants before lodging final bids. Page 3

ARREY NATIONAL advantage of the newly-introduced building society deregulation to unveil a range of personal loans. Page 3

APEX, the clerical workers' union in which membership has dropped heavily, is next month to consider four merger proposals including one from the white-collar unions Tass and ASTMS. Page 5

SCHRODERS, UK merchant bank, has further reduced its stake in its US commercial banking operation. Inter-national Bank of Japan now owns 95 per cent. Page 8

### **ECONOMIC PROSPECTS FOR 1987**

WHAT ARE the world's economic prospects in 1987? The FT will address this question on Monday, in a series of special articles. Chancellor Nigel Lawson, in an interview discusses nidustry-City rela-tions, sterling, inflation, pro-fit-related pay, the Stock Ex-change, taxation and privati-

Professor Martin Feldstein examines the risk that the US economy, jarred by a failing dollar and rising real interest rates, could slip into recession. Professor Alan Budd foresees strong growth in world trade, but expresses serious concern

about a UK economy which may he overheating, even with unemployment at more than 3m. "A golden opportunity to defeat inflation completely has been wasted," he argues. An overview of the world economy, is offered by

Michael Prowse. In a survey of UK industrial prospects, FT writers assess how well-equiped industry is to take advantage of strong consumer demand and a more competitive exchange rate after a year of further streamlining and shake outs of staff in main manufacturing sectors.

### MARKETS

DOLLAR New York DM 1.9235 FFr 6.3705 SFr 1.61325 ¥ 158.35

London: DM 1.9175 (1.9235) SFr 1.609 (1.613) Y158.2 (same) Dollar index 107.7 (107.9)

US LUNCHTIME RATES Fed Funds 54% vield: 5.7% Long Bond: 10053 vield: 7.42%

GOLD New York: Comex Feb latest London: \$403.25 (\$391.0)

STERLING New York lunchtime \$1.4885 London: \$1.4905 (1.4825) DM 2.8575 (2.8525) FFr 9.465 (9.45)

SF7 2.3975 (2.39) Y235.75 (234.5) Sterling index 69.5 (69.2) LONDON MONEY

3-month interbank: closing rate 11% (11%) NORTH SEA OIL Brent 15-day Jan (Argus)

STOCK INDICES FT Ord 1,320.2 (+6.3)

FT-A Alt Share 836.29 (+0.1%) FT-SE 100 1.681.1 (+2.1) FT-A long gilt yield index: High coupon n/a (10.24) New York lunchtime: DJ Ind Av 1,919.01 (+23.06)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 20; Belgium BFr 45; Denmark DKr 8: France FFr 6; W Germeny DM 2:20; Ireland 60p; Italy 11,500; Matte 30c; Nethorlands Ft 2:75; Norway NKr 7:00; Portugel Esc 80; Spain Pts 125; Sweden SKr 7:00; Switzerland SFr 2:20.

# Chirac and unions on collision course over French rail strike

FRANCE's 15-day-old rail strike habitation with Mr Francois for an immediate resumption of turning into a head-on confron-tation between the Government and the more militant trade

Rail traffic was again badly disrupted as thousands of French holidaymakers tried to nake their way home after the New Year break.

SNCF, the French national railway company, called in riot police to evict the strikers who had occupied points and signal boxes in several areas.

IRISH purchasers of retail goods in Northern Ireland may be costing the Irish Republic's economy IL250m (£190m) a year. Back Page

CANNON film group, rescued by Warner Communications last menth is to prospect to the public sector. The Government in turn stuck firmly to its munitions works. CGT union policy of keeping public sector pay under tight control.

Mr Jacques Chirac's Administration cannot risk another embarrassing climbdown after its many properties. called for industrial action to

barrassing climbdown after its

last night seemed in danger of Mitterrand, the Socialist presi-

Mr Mitterrand was attacked by right-wing opponents for receiving a delegation of striking railway workers on New Year's Day. Mr Jacques Toubon, secretary-general of Mr Chirac's RPR party, said the president's action could only "reinforce the extremism of the hardliners and so against

There are also strikes in The conflict seemed set to France's merchant navy and in spread as militants in the comthe coal mines. Further strikes munist-led CGT trade union are planned for next week in the Paris public transport sys-

the aims of cohesion and social

Officials in more moderate stake is Mr Chirac's position in Mr Edmond Maire, leader of on December 18 a the delicate game of co-the pro-socialist CFDT, called FFr 700m (£74m).

ending the strike.

Mr Maire warned that the position was becoming more dangerous throughout the public sector and blamed Mr Chirac's Government for the rigid way in which it had sought to control pay negotiations in the public sector.

"The CFDT calls on the Government not to drive itself into a cul-de-sac." he said. The centrist Force Ouvriere union, meanwhile, called for a secret ballot of the striking railway men " in the face of a situation which is becoming uncontrollabic.'

The SNCF management, however, rejected any further pay negotiations.

Mr Philippe Essig, the com-pany's chairman, said: "SNCF can do no more. We have gone to the extreme limit of what it was possible to concede."

humiliation last month at the unions, yesterday sought to SNCF estimates its losses hands of French students. At stem the spread of the conflict. since the start of the strike

# Sterling gains as dollar remains under pressure

BY PHILIP STEPHENS IN LONDON AND GEORGE GRAHAM IN PARIS

THE pound began the New Year with further gains on foreign exchange markets yesterday as the dollar remained under pressure and oil prices edged above \$18 a barrel. The Bank of France raised

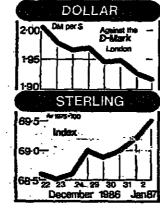
one of its key interest rates for the second time this week as the US currency's weakness and industrial unrest in France added to strains in the European Monetary System.

SPAIN'S General Workers' Union, the labour federation allied with the ruling Socialist It also prompted some speculation of an early cut in British interest rates, but the authorities indicated they would take a cautious approach.

Officials pointed out that while the pound had climbed rapidly against the dollar in recent weeks, its gains against European currencies had been relatively modest.

The sharp movements in exchange rates over the past few days have also come in extremely thin trading and central banks are reluctant to judge their significance until turnover returns to normal levels next week.

The dollar's fall, which gained momentum earlier in the week with the publication of figures showing a sharp deterioration in the US trade position, took the currency to Foreign exchange dealers were predicting the dollar would face



that West Germany's Bundesbank and other European central banks would intervene if the dollar continued to slide.

The West German authorities are anxious to avoid turmoil in tion of economic and exchange the foreign exchange markets rate policies. ahead of the general elections scheduled for later this month and want to head off pressure for an early realignment of the

The dollar's fall has caused funds leaving the US currency. The resulting pressure on the sterling index to 69.5. French franc has been The Bank of England soul of the exacerbated by the damaging would be offering £1bn of 10 per cent Treasury 1994 gilt-

further pressure next week. the recent bout of speculative on February 24. It is also Those forecasts were, how- pressure. It threatens to force a free for foreign investors. ever, tempered by speculation rise in France's bank base

The authorities have usually preferred to leave the intervention rate unchanged while allowing more flexible movement to the seven-day re-purchase rate. lifted earlier this week to 8.25 per cent.

However, with the franc slipping further against the D-mark yesterday, the option of moving the seven-day rate was seen as not being a strong enough move. The franc w. s fixed at FFr 3.312 to the D-Mark, 1.7 per cent away from its central rate with-2 centimes above its floor of FFr 3.3303. If the dollar's decline con-

tinues it will add to pressure on the new West German government to reach an accord with the US to strengthen co-ordina-In London yesterday, the

dollar closed at DM 1.9175, down from DM 1.9235 on Wednesday ahead of the new year holiday. The pound gained 0.8 The dollar's fall has caused cents to close at \$1.4905, while tension in the EMS because the smaller advances against Euro-D-mark attracts the bulk of the pean currencies also contributed to a 0.3 point rise in the

the prolonged strike by French edged stock in a tender sale railway workers.

The three-quarter point rise in the intervention rate to 8 the minimum tender price of position, took the currency to the little li far to support the franc during of the tender and the balance on February 24. It is also tax-

Currencles, Page 11

# BTR bid for Pilkington shelved

BY MARTIN DICKSON

THE £1.1BN takeover bid by BTR, the industrial conglomerate, for Pilkington Brothers, the glass maker, was shelved yester-day by the Takeover Panel. It will await a government deci-sion on whether the bid is to be referred to the Monopolies and Mergers Commission — a decision not now expected until the middle of this month. The panel's move means

forecast which, under the normal takeover timetable, it would otherwise have had to make this weekend. The panel said it was also stopping the clock in a second takeover battle — the £173m partial offer by Valuedale, a specially-created company, for

Simon Engineering—because of a similar delay in a government Each bid has bene frozen

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ment whether either or both should be referred to the

The timetable governing takeover battles assumes the OFT will usually recommended in time for a government decision by the 21st day of a bid-which is when it reaches its first Pilkington can delay a profits closing date — and in any event before the 39th day, which is the last day a defending company can forecast profits.

> However, the 39th day of the Valuedale bid was yesterday and that of the Pilkington bid would be today.

The panel has therefore ruled that in each case the 39th day will be two days after the its Government announces

because the Office of Fair decision. The 46th day of each Trading is taking a long time bid — the final date for a to recommend to the Govern- higher offer - and the 60th day - the day the bid must succeed or fail - have been extended by the same number of days.

> In the Pilkington bid case the panel has also said BTR must not raise its offer until after the government announcement. This is not expected until the week beginning January 12. The panel will review the situa-tion if there is no announcement by January 15.

> There have been several occasions over the past year when the panel has had to so stop the clock. The first was during the £2.6bn takeover of Imperial Group by Hanson Trust However, the delay in the Pilkington bid will be the longest yet.

> > Unit Trusts ...... 13-15

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For London market and latest share index 01-246 8036; overseas markets 01-246 8086

# Reagan budget will set deficit of \$107.8bn

BY LIONEL BARBER IN WASHINGTON

PRESIDENT REAGAN will send a new budget to Congress on Monday which sets a deficit of \$107.8bn, just below the limit set by law for the year.

The budget is expected to propose continuing increases of about 3 per cent in military spending over the next five years, but is likely to recommend cuts in farm aid and other domestic entitlement pro-

The Administration reported vesterday that defence spending had led to a 4.1 per cent increase in the output of US manufactured goods in November, the biggest increase for two years.

Congress, now in the hands of Democratic majorities in both the House of Representatives and the Senate, is likely to dis-card the bulk of Mr Reagan's \$1,024.3 trillion budget for the fiscal year which begins on

October 1. Official estimates put this year's deficit at abount \$170hn, in 1992. though private forecasters think it wil be higher. The misarguments over spending The Office of Management and Budget yesterday declined to confirm a report in the New York Times which quoted what it claimed were confidential

The report said the total military budget would rise by about \$20bn a year for each of the next five years, from \$312bn

papers giving details of the

PRESIDENT REAGAN is to request a further \$100m of aid from Congress for Contra rebels fighting the Marxist Sandinista Government in Nicaragua, Mr James Millar, President's budget director, said yesterday. The request, in the light of the Iran arms scandal and allega-tions that the White House deliberately evaded an earlier

congressional han on aid is certain to be controversial. in 1988 to \$396.9bn in 1982. Medicare and Medicaid, the programmes of the elderly and the poor, would continue to grow, but to slow the growth, Mr Reagan would propose cuts to create savings

of \$58.4bn over five years. The cost of Medicaid would raise from \$26.7bn this year to \$32.5bn in 1992. Medicare spending would rise from \$71.6bn this year to \$104.3bn

The budget proposals will give clues on how Mr Reagan match between revenues and viwes spending priorities, how outlays and the agreed need to bring deficit down has fuelled conciliatory he may be in his negotiations with Congress and how he proposes to tackle the record budget deficit of \$220.7bn in the 1986 fiscal year. Administration's target of \$107.8bn is just below the \$108bn target set by the Gramm-

Rudman-Hollings law, which

envisages a balanced budget by

Continued on Back Page Reagan faces stiff opposition, Page 2

# Peking students go to the wall with their protests

BY ROBERT THOMSON IN PEKING

main medium for protest in

day night. mechanism and less than ally quiet, as the students basked in the glow of their victory. With torch in one hand and tape recorder in the other, they turned out in their dozens to recognise publicly the existo read and record calls for democracy and accounts of the previous night's demonstrations printed on the illegal posters.

One consisted of an open letter to Deng Xiaoping, the paramount Chinese leader, sug-gesting he employ his bridgeplaying skills in choosing more intelligent leaders. The letter said a "generation gap" was responsible for the misunder-

WALL POSTERS became the standing between the Peking Government and the students. State radio broadcasts said China yesterday, after the State radio broadcasts said successful show of strength by the most recent street marches university students on Thurs-day night. "anti-Socialist elements," while the Peking Daily urged "heighten their students to vigilance" and not be "misled by these elements." As such,

the Government is still refusing

tence of a pro-democracy movement. Xinhua, the official Chinese news agency, launched its second attack on the US government-run radio network, the Voice of America, claiming had encouraged students to continue dissent, and had reported that the Chinese demon-

strations have been "a comfort

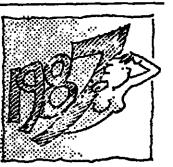
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# WEEKEND



**FUTURES** 

Poroci aloren arabetean et d ignore depressing scotusioners The inture is a new place to be Page 1



FINANCE

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TRAVEL

The Cardibean three in paradese Islands Page VIII



# SPEND LESS

lf seasonal extravagance has left Hour finances in a mess do no! desnair, How to Spend It ofter suggestions on how to save and stag stylish Page XI

# performance Two years to 1st December

Trust Position in **Percentage** increase sector in value +166.0European 3rdPacific +80.86thWorldwide Recovery +76.8 6th +76.87th International +72.021stUK Income & Growth +62.37th **Practical** +60.0lst +52.129th Japan High Income +49.98th+31.017th American

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# Reagan faces stiff policy challenge from Democrats

BY LIONEL BARBER IN WASHINGTON

his New Year holiday in presidents he had known. "He California yesterday and re-has been lucky. He has been turned to Washington to face built by the media of America." minor surgery and continuing public criticism over the Iran arms scandal.

tion and surgery early the next morning for removal of enlarged-prostate tissue, will also shortfall face the challenge of an pressure. envigorated Democratic Party when the 100th Congress re-convenes on Monday.

The Democrats, who have majorities in the House and Senate chambers, are expected to mount stiff challenges to the Reagan Administration on trade policy, the federal budget, and

defence spending.

Mr Reagan will be far less able to win congressional support for his policies or defy Congress in the coming months. The personal magic of his first six years as president has largely been dispelled by the

all-embracing scandal.
Starting on Monday, Congress will set in motion two bi-partisan committees in the House and Senate to dig into the affair. Public hearings could come as early as February, torcing the desired production resigned desired production resigned to the deservice and the deservic

Representatives, called him the to contra rebels in Nicaragua.

PRESIDENT REAGAN ended woest-informed of eight past his New Year holiday in presidents he had known. "He

said Mr O'Neill. The Democrats are expected to draw up a trade bill recom-The 75-year-old Republican mending action against alleged unfair competition by foreign tomorrow for a colon examination and surgery early the next foreshadowing a likely \$170bn-shortfall for 1986 - will fuel

> President Reagan faces further challenges on defence spending and arms control. Democrats are sceptical about his plans to push ahead with the multi-warhead MX missile. and they are concerned about his decision to break the Salt arms limitation treaty with the Soviet Union.

They may try to force com-

pliance by holding up other defence spending programmes. Mr Reagan has tried to make a fresh start for 1987 by appointing a new White House adviser on the Iran scandal, the former Nato Ambassador Mr David Abshire. Mr Frank Car-lucci, the New National Security having instigated a purge of the National Security Council staff employed by the former ad-

advisers on the defensive:

A kint of how Democrats and a key White House side:
sense that Mr Reagan is a vul- Licol Oliver North, was fired
nerable larget came yesterday following the disclosure that up
when Mr Tip Orieill, the out- to \$30m in profits from secret
going Speaker of the House of arms sales to Iran were diverted

# Food production in Africa rose by over 3% in 1986

AFRICA's food production the year before increased by more than 3 per But he noted that a catascenut in 1986, outstripping trophic drop in world compopulation growth for the first incidity prices had cut Africa's time in 15 years, Mr Adebayo export earnings by 25 per cent Adedeii; executive secretary of in 1986.

the UN Economic Commission The confinent's exports fell for Africa (ECA), said yester to \$44.3bn from \$60.6bn in 1985 day. Register reports from Addicting the to the slump in oil and

than a decade and a half, agri- poor demand for African comcultural output in Africa in modity exports was unprece-1985 grew by more than 3 per dented since the great depres-cept—a figure which is slightly sion of 1929 and Africa's more than the population economic prospects for the com-

Mr Adedeji said the growth in egriculture was most significant; especially considering the locust threat and severe drought cent growth in agriculture.

day, Router reports from Addis due to the slump in oil and Ababa.

\*\*For the first time in more Mr Adedeji said the generally

onference. Exports were expected to Reviewing Africa's economic remain depressed and sluggish performance over the past year, in view of the world glut of commodities, but prevailing

# UN confirms Turkish **froop build-up in Cyprus**

RY ANDRIANA IERODIACONOU IN ATHEMS

UNITED NATIONS officials in The Greek Cypriots have Nicosia yesterday confirmed an accused Turkey of increasing

accommodate both the Greek attack helicopters in Cyprus. Cypriots and the Turkish was "absolutely no indications"

increase in the number of Tur- the number of its troops in the kish troops in the occupied north by 25 per cent last year northern sector of Cyprus.

The troop build-up has coincided with the deadlock in UN deployed offensive air-to-surface peace efforts aimed at establish- rockets, increased its anti-tank ing a two-zone federal republic weapons and transport trucks on the island, which would and modernised its fleet of Mr Javier Perez de Cuellar, Cypriot community, comprising the UN Secretary General, con-18 per cent of the population. firmed an improvement in the The UN officials said there Turkish forces in Cyprus in his firmed an improvement in the report to the Security Council of an increase in the number of in early December. According Greek troops on the island. They to UN officials, the report condeclined to cite a figure for the firmed armed purchases for the Turkish troop increase but said Greek Cypriot national guard, the UN had an estimate at its but said that these served disposal.

# **US** hits back at **EEC** egg exporters

THE US is to retaliate against munity's fresh egg exports to Hong Kong by subsidising its producers under the Agricul-ture Department's export

enhancement programme.
The subsidy, which applies only to Hong Kong, will begin on Monday, and will cover up on Monday, and will cover up to 44m fresh eggs. It is almed at halting an erosion in market share that US Agriculture Department officials say is due to subsidies provided to EEC exporters.

Hong Kong is the US's leading export market for fresh eggs, accounting for over 40 per cent of all export sales in 1985. In that year,

sales in 1985. In that year, it sold 94m eggs to the British territory, worth HK\$37.6m (£3,26m) and amounting to a 7.5 per cent market share.

In the first nine months of last year, market share fell to 6.2 per cent, with BEC ex-porters being the main bene-ficiaries. France's fresh egg exports in the first nine months of last year were almost three times those for the whole of 1985, with West Germany's sales more than double. From a 4.4 per cent market share in 1985, the EEC accounted for 6.3 per cent to the end of September

China is Hong Kong's main supplier of fresh eggs, selling 941m in 1985, and accounting for about 76 per cent of market share. These exports were worth HK\$271m.

### European trade plea by India By K. K. Sharma in New Delhi

INDIA IS to make a strong plea next week for better access to markets in the European Economic Community to enable it to reduce its trade deficit, which reached Rs 27.5bn (£1.5bn) in 1985-86. The plea will be made by Mr P. Shiv Shankar, the Commerce Minister, when he heads a delegation to the fourth session of the Indo-

Brussels next week. The minister said India hoped that improved access to EEC markets would be in addition to special trade promotion proposals for assistance in export production and marketing of Indian products. There was a need also for industrial co-opera-tion and joint ventures in India between Indian and European companies with an emphasis on production for

EEC joint commission in

India feels that not enough has been done in respect of trade promotion programmes.

### Leader of Swedish Centre Party quits

MRS KARIN SODER resigned yesterday as leader of Sweden's Centre Party on the grounds of ill health, Kevin Done reports from Stockholm. Mrs Söder, Sweden's first female party leader and a former foreign minister, has led

the party for less than a year. She took over from Mr Thorbjörn Fälldin, the former prime minister, at the beginning of 1986 following his resignation in the wake of the party's poor election performance.

The choice of successor to Mrs Söder will be crucial to the non-socialist parties chances of co-operating in the run-up to the 1988 general election in a bid to oust the ruling Social democrats.

# EEC assesses trade war threat

signed to put pressure on most the EEC exports of brandy to only with wine, but also with EEC member states, albeit unthe US which is a major market cheese, soft drinks and pre-evenly, by affecting exports for French cognac producers. from leading agricultural pro-

According to figures released by the European Commission, the measures would affect exports worth a total of about \$428m (£289m).

the potential US measures with \$250m of exports of brandy, wine and cheese that could be The French Government position, as made clear by the Prime Minister's office, is that France still hopes negotiations will result in a settlement. But if not, Mr Michel Noir, the Minister for

France will hit back on the basis of an eye for an eye.

The French food exports exports. Even so, said the Agricultural Ministry in Bonn, a worst hit would be brandy number of small and medium(\$186m), cheeses such as

External Trade, has warned that

THE THREATENED US tariff Camembert and Brie (\$31m) sales in the US could be severely increases on key European food and white wine (\$21.7m). affected.

This could be the case not the could be the coul

The statement from the Prime Minister's office said the US measures were incompatible with the spirit in which the new Gatt round had been launched. The West German Govern-

428m (£289m). ment expressed concern at the France would be worst hit by latest US trade moves, especially as they came shortly after threatened action over the country's machine tool sales. The proposed tariff rises will however have little direct effect on West Germany. Total W. German sales of wine to the US total around DM 2 7 5,000 (\$137,500) a year. The measures are directed against cheaper table wines, moreover, which do not form a large part of the

This could be the case not only with wine, but also with are included on the US list.
Total exports of agricultural
products by Germany to the US
are around DM 1.5bn a year,
with wine, coffee and beer the chief items.

Belgium's main casualties

will be its endive growers. They and their counterparts just over the border in Luxembourg sold \$5.3m worth of this white-leaved aromatic vegetable at the latest count in 1985. Belgium accounted for by far the largest part of the exports, making it European market leader in the

In Rome, the Italian Missstry of Foreign Trade said yesterday that it was still studying the Washington announcement and had no comment to make. Italian wine exports to the US, including sparkling wines, were worth L182bn (£92m) in 1985.

Exports of gin from Britain, worth about \$82.5m, make up about 15 per cent of total gin sales in the US.

The major imported brands are James Burrough's Beefeater brand with a market share of about 7.6 per cent in 1984 and Distillers' Tanqueray brand with about 7.5 per cent of the market, according to Impact, the international drinks newsletter. IDV, the Grand Metropolitan drinks subsidiary, exports Bombay, a premium-priced gin to the US. The proposed tariff increases will take the price of the imported gin up from about \$11 a bottle to between \$16 and

\$11 a bottle to between \$16 and \$17 according to the industry. Top-selling gin brands in the US include other UK-based brands such as Distillers' Gordon's and Booth's brands and IDV's Gilbey's brand. However, these are all distilled in the US

and so are not affected by the duty increases. The top selling gin brand in the US is Sea-gram's gin, produced in Canada.

# Belgian plan to axe coal jobs under attack

BY WILLIAM DAWKINS IN BRUSSELS

FLEMISH politicians yesterday was seen as inevitable in an tonnes annually to 3.2m tonnes rest will come from the merger criticised plans by Belgium's industry which has cost Belby the end of 1996. The work-of two more operations in the centre-right coalition Governing gian taxpayers an estimated force—all based in Limbourg region's western quarter at ment to cut 8,200 jobs in the BFr 168bn over the past 10—will be cut from the current Beringen and Zolder. closure of three mines in the to the political difficulties of coal-producing district of Government that last autumn should be slimmed from Limbourg, one of the poorest came close to collapsing over BFr 8.5bn a year at present to parts of the Flemish-speaking regional tensions on other BFr 4bn by 1996.

Most of the job losses will found the closure of two

missiles in 1986 in the absence

of an agreement with the Soviet

Union on medium-range nuclear

released by the Western alliance

yesterday, Reuter reports from

Nato said a total of 316

Pershing 2 and cruise missiles

were deployed in four West

about 60.000 companies, accord

ing to unofficial estimates.

missiles, according to figures. missiles were stationed.

European countries at the end Europe last year. of 1986, compared with 236 Under a 1979

country's ailing coal industry years and had been widely 17,200 to 9,000 by 1991. They dismissed as inadequate expected. But it is bound to the government's BFr 180bn contribute to existing tensions (£1.7bn) restructuring pro- between the north and the gramme, which will lead to the French-speaking south and add

Nato missiles boosted to 316

NATO deployed 80 more cruise such systems a year previously. five West European countries-

The organisation gave no further details, declining to

release a country-by-country

breakdown of where the

But, with the figure of 108 Pershing-2 deployed in West Germany remaining unchanged,

the new tally of 316 missiles indicated 80 US-built cruises had been moved into Western

Under a 1979 Nato decision.

Spanish socialist unions ahead

SPAIN'S General Workers in large state enterprises and in tory to the last two-year labour Union (UGT), the labour companies employing more than federation allied with the ruling 750 workers.

Government and which is exsocialist Party, has maintained The more spectacular wins by

its overall advantage over its the workers' commissions in ment this year, is believed to

state-owned Renfe rai network ing 34 per cent.

Communist rival in elections clude Spain's private banking have won just over 40 per cent for employees' representatives in sector and the country's two of the 168,000 representatives,

believed to have doubled its cations company Telefonica. tions of their kind since free previously narrow three-point. The elections, the first since trade unions were re-established

lead and to have scored strongly the Socialists came to power in 1977. Workers' commissions

in small and medium-sized com- four years ago, were held be- came out on top in the first two

panies, the Communist-led tween October and December. elections but the UGT nudged workers' commissions dominated. The UGT, which was a signa- ahead in 1982.

Chad troops in fierce oasis battle

- largest sini

However, while the UCT is and the semi-state telecommuni-

CHAD government forces were lel. Over 1,000 Libyan troops are

yesterday reported to be believed to be stationed at

engaged in heavy fighting with Fada, which is one of the main

Libyan troops for the control of Fada, a desert oasis in the north east of the country.

Libyan strong points in the north country.

Libyan strong points in the north cast of the country.

east of the country.

The fighting followed an attack by the troops of President Habre's campaign to dislodge the Libyans from the north of Chad where they yan garrison of Fada which lies 120 km from the 16th paral-

The more spectacular wins by pected to join a fresh agree-

northern half of Belgium issues. Most of the job losses will operating losses at the mines to came earlier this week after a Belgium's coal production capathree-day cabinet meeting. It city from its present 6.1m Genk in eastern Limbourg. The

West Germany, Italy, Britain, Belgium and the Netherlands —were to take a total of

572 intermediate-range (INF) systems to counter the Soviet

Union's 270 triple headed

SS-20 missiles - aimed at

The first four of these countries have begun deploy-ment and the Netherlands says

it will begin stationing its

allotment of 48 cruises in 1987.

These were the fourth elec-tions of their kind since free

heavily dependent on French

In penetrating beyond the

16th parallel, one of President

Habre's aims is to draw France

deeper into the conflict. The French position is that it will

help defend Chad from attack

but will not be drawn into an offensive against Libya north

military supplies.

Beringen and Zolder.

The aim is to cut the industry's operating losses from the Government's special adviser on Mr Thyl Gheyselinck, the 1986 level of BFr 16bn to coal and general manager of the BFr 4bn in 10 years' time, while nation's coal mines, will become public subsidies to the industry managing director of the survivshould be slimmed from ing operations. Included in the BFr 8.5bn a year at present to plan is a BFr 28bn fund to cover redundancy, retraining and final

> US cuts trade benefits to

announced yesterday it would reduce its general system of preferences (GSP) trade bene-

Mr Clayton Yeutter, US Trade

benefits for Romania, Nicara-gua, and Paraguay, because they had not shown progress in in-creasing workers' rights. A review of workers' rights in Chile would continue for

maintenance camp in Luxem-bourg, Mr Marc Fischbach, the country's Defence Minister, announced yesterday, William Dawkins reports from Brussels. Mr Fischbach gave no esti-

age, which mainly consisted of broken protective glass and smashed or scratched optical instruments and gunsights. The Luxembourg justice depart-ment, which has been conducting an internal inquiry into the incident for three weeks believes there was no political

# eight nations THE REAGAN Administration

fits on 290 products from eight developing nations, chiefly from Taiwan, South Korea, Brazil, Mexico, Hong Kong and Singa-pore, Reuter reports from Washington.

Representative, also announced raised GSP benefits, beginning on July 1, on trade in 95 products from 10 countries, including the Philippines, Colombia and Malaysia.

The GSP adjustments announced included dropping benefits for Romania. Nicara-

Congress gives trade pre-ferences to developing countries to spur their economic growth,

### Saboteurs damage 100 Nato tanks

SABOTEURS have damaged more than 100 US-built M60 tanks in a Nato storage and

mate of the cost of the dam-

Ivo Dawnay and Tim Coone report on the Brazilian economic pressures that led to a link-up between two carmakers

BY DAVID HOUSEGO IN PARIS

east of the country.

# Flirtation that ended in a shotgun wedding for VW and Ford

and Ford in Brazil and Argen-tina has been perhaps the only predictable event in a night-marish business year for the manufacturers' Brazilian opera-

Though the link-up was under discussion long before Brazil's statute book, the measures transformed a coy firtation between the two companies into

a shotgun wedding.
While both had the option of carrying on separately, the prospect of another year's loss-making production—the fifth in succession for Ford—was decisive for the parent companies cisive for the parent companies in Wolfsburg and Dearborn.

The motor industry is re-carded by most disgruntled Brazilian businessmen as the most visible example of the perversities that price-freezes impose. Surging demand could have made 1986 a record year. but price distortions, rows with component suppliers and dealers, and several strikes have devastated the balance

tine 28 per cent price rise. Instead as wage increases gave consumers unprecedented disposable income, waiting lists stretched to eight months, and second-hand models company time 28 per cent price rise. Instead as wage increases gave consumers unprecedented disposable income, waiting lists stretched to eight months, and second-hand models company time 29 per cent increase in capacity of the per cent increase in capacity of some 900,000 units at per cent increase in capacity of some 900,000 units at per cent increase in capacity of some 50 market, operating at some 50 market, operating at

per cent over new list prices, the companies saw losses on every car made.

Disputes with components suppliers over pricing lead to lost production. As the industry reeled from a 30 per cent tax increase in July, some anti-inflationary price-freezing 18,000 cars sat uncompleted in Cruzado Plan had reached the the yards. In November, with the yards. In November, with demand still huge in spite of a further 80 per cent price and tax rise—just 20 per cent for the industry—the manufac-turers were paralysed again by a dealers' strike. Sales dipped to just 40.000 vehicles, or 48 per cent down on anticipated

> Against this background, the creation of Autolatina, the new holding company of the VW-Ford collaboration, was viewed by many as a reproach to the Government for decades of interference in manufacturers' profit margins. But can the policies of the

Brazilian authorities really be viewed as the midwife of what have devastated the balance is now the world's eleventh largest carmaker, with a which the Cruzado Plan was launched, the manufacturers (£1.2bn), 75,000 workers and were about to introduce a rouse capacity for some 900,000 units



Volkswagen assembly plant in Sao Bernardo do Campo, Brazil

Not -only will the benefits

wide trend towards closer co-operation between the majors in to General Motors' Monza middle lower or remove duties across an industry with heavy capital market world car, which domicosts and low profit margins, he nates the most valuable central at a better time. sector of the Brazilian market. However, it is insisted that come in economies of scale — a strong traditional qualitative 40 per cent increase in capacity distinctions between the VW and

the border could not have come Access for Argentine-built product — the up-market Ford Sierra for example — will allow it to escape the stagnant home

Already several manufac-turers are talking of selling much cheaper Brazilian components to Argentina, while kits or ready assembled vehicles could return under the dollarfor-dollar exchange arrange-However, there was some

suspicion from Brazilian com-mentators that the link-up was a precursor to a Ford with-Booker, Ford Brasil president and now Autolatina managing director, denied the claims.

director, denied the claims.

"The principal reason for establishing this co-operation with VW, from our perspective, was the idea of finding a way of staying in Brazil, but in an efficient and profitable way," he

In spite of labour costs of \$2 per hour, against \$13 in Japan, and a potential market of 1.5m units a year, many carmakers are growing increasingly sceptical about finding the gold at the end of the end of the Brazilian rainbow. Many fear that the country has used the foreign multinationals as a hard-currency cash cover codes as hard-currency cash cow, seduced by export credits into supplying the domestic market at a loss.
Mr Joe O'Neil, a former Ford Brasil president and now a Sao Paulo consultant, puts it more generously: "Developing countries often have more things on their plate than they can really afford. Every time you

means price controls. Automobiles, which happen to be foreign-owned, don't upset the local industrialists."

The most pressing issue for Brazilian carmakers is what will happen to the export lures that drew many of them in the first place? Already the so-called Bifiex tax credit has shrunk from 27 per cent in the early 1970s to 14 per cent today. drawal from Brazil. Mr Wayne early 1970s to 14 per cent today, and is due for review at the end of the decade. Last month, a respected

Brazilian newspaper announced that President Jose Sarney was about to reveal that a major new manufacturer was about to set up a production facility. But the weeks of silence that followed were only broken when Renault declared that it had decided to press shead with a components plant but hold fire on a full assembly facility.

Nobody is certain whether Nobody is certain whether this was the company the President is said to have had in mind. The most prominent alternative is Honda, which is strongly rumoured to be interested in expanding its overseas capacity in a country with low labour costs.

As one longtime industry observer said: "My money is on the Japanese if there is anyone out there at all - Brazil is a market that requires patience on an oriental scale."

# **Planter** McCulloch's last stand By Justin Wintle

ON MY second day in the town of Sitiawan in the Malaysian State of Perak I said to Norbert I wanted to meet a planter.

That's easy," my Indian host replied in a while. "I'll intro-duce you to Mac. We'll drive over and see him this after-

Stewart McCulloch, the son of a sheepdog genealogist, lived just three miles away. His bungalow, raised on stilts, had once been the residence of the assistant manager of the contract Trials. Sitiawan Estate. Inside the fan, a nasty modern plastic job, was spinning slowly. The rattan furnishings, however, were for real. As I sat Mac handed me a pile

of A5-sized colour photo-graphs, taken ten years or so ago. Elephants, a boy fishing, a yacht, and some Malays roasting baby deer in the jungle. I looked at these and listened. Mac had already begun his story. With another appointment two hours later he didn't want to waste a moment. Born in Canada, but schooled in

Scotland. Now 67. With the onset of the second world war he volunteered for the Indian Army. Tank protection corps. Then came Burma. Wounded. Back to India, Served as con-sultant to the Chinese officer training programme. Fearful business. The Chinese permit-ted a casualty rate of 20 per cent. One cadet shot dead on the spot for backing his truck into a Dakota. To encourage the others.

— M/C 40 Brevier TKH —
Then it was Burma again, as
Captain McCulloch of Intel-

ligence, serving alongside the Gordon Highlanders. Japa-nese most awkward custo-Always refused to surrender. Preferred to detonote their grenades instead. You had to shoot them. It was either him or the both of you. For his pains Mac was awarded the Military Cross. Then he

was demobbed and sent to Edinburgh university to study agriculture. Never worked so hard in his life. But he didn't finish. Had a cousin aiready working in Malaya. Why not come out the cousin said? Went out. Worked for Bar-

low's. Rubber. Already spoke Hindustani.

The Communist Emergency? Yes, that was tough. Slept between sandbags for 12 years. Own guard, own mile tary escort, and armoured cars. Two-way radio in the bungalow. Couldn't go out much. No social life beyond badminton with the local constable. Spent all day on the estate anyway. Lucky. son. Went to St Andrew's Ball in KL. His two children murdered in their sleep. And then there was the Hairy One.

a woman bandit. Viciously assaulted a colleague. Never married. If you married an Asia the company sacked you. Not on. But girls no problem, except there was never enough time for them. Certainly not what you might imagine. Sitting around play-ing bridge with a gin sling in each hand—disappeared completely after the War.

At 55 compulsorily retired. New policy. Malay plantations to be run by the Malays. And why not? They do the job iust as well. Went to the Phillippines. Eighteen months. But came

back. Had to start wearing guns again. Being watched. Then Sumatra. Lasted six months there. Children working a fourteen hour day for a bowl of rice and biscuits. Tigers with faces as big as bicycle-wheels. Bought this place. Run the yacht now. Bought it off a colleague's widow. Had it

thirty-six years. Sometimes hire it out, sometimes use it it to train youngsters. Helped start the Sea Scout movement, here in Malaya. Paint pictures when the time can be found. Which 

meg, henna, hibiscus—pretty well everything. Even a shrub you can use for polishing your finger-nails. But best of all the moonflower. which opens at night, just Once, and dies.

Justin Wintle, the euthor, will
contributing occasional pieces in
Asia and the Pacific.

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A FINANCIAL TIMES SURVEY SCOTTISH TEXTILES The Financial Times proposes to publish a Survey on the above on Thursday, January 29, 1987 For further details, please cardinal KENNETH SWAN on 031-226 4139 Tolex: 72484 FINANCIAL TIMES

Europe's Business Newspaper

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# Ulster border areas head queue for Anglo-Irish aid

THE SEVEN-STRONG team of man board of senior business- community so Unionist hostility businessmen from Northern Ireland and the Irish Republic responsible for allocating international aid pledged to back food production and processful the Application agreement is manager an anually successful the Anglo-Irish agreement is manager, an equally successful to start inviting applications food importer and a senior for funds in the middle of this executive from one of Ireland's

Already, 300 unsolicited ford Glass. They are joined by applications have been received, most of them from predominantly nationalist border areas of Northern Ireland. The programme is organised the true is the most jointly by the British and Irish Governments and aims primarily at funding job-creating projects on both sides of the border.

Since the signing of the yearold Anglo-Irish agreement — an attempt by London and Dublin to overcome the historic hostilities in Northern Ireland -more than \$130m (£89m) has heen promised to the fund. The US is the higgest contributor by far, handing over \$50m for 1986 and promising two further

tranches of \$35m each.
Canada has pledged C\$10m
(£4.9m) over 10 years and New Zealand has pledged NZ\$300,000 (£107,000).

The money so far totals only about a third of the amount Irish officials had privately hoped for from the US alone. Under the fund's terms it is to be spent roughly two-thirds in Northern Ireland and one-third in depressed border regions of the republic which have also

suffered economically as a result of the troubles. Priority will go to private enterprise projects, to projects which benefit people on both sides of the border—under-scoring the Anglo-Irish agreement's intention of fostering cross-border co-operation-and to improving the quality of life have nothing to do with it in deprived areas. The overall This is one reason why n emphasis is on job creation in a region where unemployment have come from predominantly in some places exceeds 50 per nationalist border areas. cent of the local workforce.

group, returned to the black £404m.

in 1985 with pre-tax profits of

best known companies, Water-

NORTHERN IRELAND'S Unionist leaders yesterday launched a New Year petition to the Queen calling for a referendum to be held on the Anglo-Irish agreement.

The petition, to be circulated for a signature across the province, says the agreement puts the Queen's subjects in Northern Ireland "in fear of being deprived of their rights and status as citizens of the UK." The Government has consistently refused to grant a refer-

observers from the US and

ang last month. It does not expect to allocate money until the spring and now has to tackle two problems which makes its job politically and administrative. politically and administratively "complicated," to quote Mr Charles E. B. Brett, the Belfast solicitor who chairs the board. The first of these is political. Ever since the Anglo-Irish agreement was signed in November 1985, it has been bitterly opposed by the majority Unionist community in Northern Ireland for giving the republic a role in their affairs. Unionist politicians have loudly con-demned the international fund as an attempt to buy them off and have advised Unionists to

This is one reason why most of the unsolicited applications

The board cannot be seen to London appointed a seven- be favouring the nationalist small businesses.

THE UK subsidiary of Renault, 67,604 to 82,453, which helped making comparisons, it should

the state-owned French vehicles lift turnover by 36 per cent to be noted that most of the com-

During 1985 the number of

fl.8m compared with losses of employees increased from 854 ever, Honda UK includes the from for 1984.

This result cut the accumulated losses of Renault UK from 513.8m et al. 1984 for 1984.

The income of the Japanese company's motorcycle business in Britain and from 513.8m et al. 1984 for 1984.

directors say they expect in- The accounts show that one Factory-owned subsidiaries

Renault UK imports and disspond and £95,000 last year.

Renault UK imports and distributes the French group's Publication of the Renault cedes-Benz and Renault VAG is 
cars and light vans. Heavy accounts means that all but one 
vans and trucks are handled by of the top 10 car import comowned by the Lex Service group

vans and trucks are handled by of the top 10 car import comanother wholly owned offshoot, panies in the UK have now
Renault Truck Industries, filed their annual reports for and distributes its trucks
which also has production facilitics in Britain.

In 1985 Renault UK's new rehicle sales jumped from shows the results, but when linchcape Group.

MAJOR VEHICLE IMPORTERS

1984

Pre-tax profit

(ioss) £m

23.5

Renault UK returns to profit

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

from £12.8m at the end of 1984 change of managing director in

£m

439

182

In their annual report the Bergeaud took over.

# Tass and **ASTMS** join Apex suitors

must somehow be overcome. Mr

Brett, whose house and office

have been picketed by Unionists, is guardedly optimis-

independence of the board.

are aiready pressures on us to do both", he said.

funds do not get diverted in-advertently to groups with links to paramilitary organisa-

If the board does get over

those difficulties, it still faces another problem which may

prove more awkward in the

Many of the preliminary applications are from groups such as sports clubs looking for funds to help them improve

private schemes going to be

easy. In both the republic and Northern Iteland there are

government-sponsored indus-trial development agencies which already have substantial

funds available for private businesses in such areas. The

problem is not finding the

iects to back.

money, but finding viable pro-

Mr Brett said the board

hoped to find what he called "betwixt and between" pro-jects which did not qualify for

government grants or aid but which the international fund could provide with seed capital.

His example was a border town setting up a company to foster

local skills towards setting up

only cars and light vans. How-

West German group's commer-

1985

(loss) £m

Divident

October 1984 when Mr Guy cial vehicles, from vans to Bergeaud took over. heavy trucks.

Dividend Turnover

Ĺm

3.3

£m

643

359

210 762

This arises from because the

He also must be careful that

By Helen Hague, Labour Staff LEADERS of the white-collar unions Tass and ASTMS, who back plans for a amalgamation mic that this can be done. To of their two unions, have subhelp the process he stresses the mitted merger proposals to Apex, the clerical workers' Apex,

"We have made it plain we do not intend to play politics or electioneering — although there union. The Tass-ASTMS approach is one of at least four merger proposals that the Apex executive will consider at a special meeting in mid-February.

Apex has had to consider merger options because of a sharp drop in its membership, down from 140,000 to 90,000 in the last six years.

A Tass-ASTMS link-up, which the leaders of both unions hope will be endorsed by their members later this year, would squeeze further Apex's dwindling membership base in the engineering industry.

US aid is conditional on its being used to help private enterprise, not public projects. Senior officials from Apex met ASTMS leaders in September, and were told that plans to amalgamate with Tass were well advanced. The Apex executive decided that any merger discussions should proceed on the assumption that ASTMS's plans to link up with Tass would come to fruition.

> Apex is also being woold by the Amalgamated Engineering Union, the General, Municipal and Boilermakers' Union and the Engineers and Managers Association.

> The AEU has given Apex an assurance it would be free to continue appointing its officials in the event of a merger. The AEU elects its officials.

A proposal from Mr John Edmonds, general secretary of the GMBU, that the union's white collar section Matsa should link up with Apex, has been endorsed by his union's

At its February meeting, the Apex executive will consider all merger options submitted and draw up a short-list. It will decide on its requirements and hold further meetings with chosen unions. It hopes to make a recommendation to the Apex annual conference in

Apex's choice of a merger partner will have significant implications for the TUC. A link-up with the AEU would enhance the prospect of an EETPU - AEU amalgamation, boosting the strength of the right in the TUC.

The GMBU's influence as a centrist force would be consolidated through taking in Apex, while a merger of Tass, ASTMS and Apex would create grouping.

Within Apex, the AEU and the GMBU are considered the frontrunners.

### Computer staff job mobility still increasing

By Our Labour Staff
JOB MOBILITY among computer staff continues to rise, but the rate of increase in their earnings is beginning to slow. according to a survey for the Industrial Relations Services.

The Computer Economics survey focused on 595 instal-

lations employing more than 33,000 computer staff. It found labour mobility rose from an annual rate of 12.6 per cent for the 12 months to October, 1985 to 13.1 per cent in the 12 months to October, 1986.
For the 12 months to October 1986, earnings rose by

1.9 per cent compared with 12.6 per cent in the previous year. In spite of this slowdown, computer staff's pay continues to increase faster than earnings in the whole economy.

# Managers warn BT over dispute

BY JIMMY BURNS, LABOUR STAFF

the company it will seek to partners' future employment. bring the "full weight of the According to Mr. Petch. at to bear on any attempts the time his union took no

isation members received

ported for work. Where mem- duct, let alone provide a worse action to put pressure on the action ballot,

THE Society of Telecom Execu- bers themselves were not sub- version of it, be carried out company to improve its general tives — the union representing ject to this treatment, the letter then the STE will not follow British Telecom's junior and alleges, their wives were frem that course in future. We shall middle managers—has warned quently threatened about their defend any member against the state of the sta

to intimidate its members action against BT on behalf of ing into Mr Petch's letter and when they withdraw coits members. However, he warns would respond "in due course."
operation on Monday. the company that the STE will lt nevertheless confirmed it operation on Monday. the company that the STE will it nevertheless confirmed it The STE has instructed. In a letter to BT signed by not remain indifferent during would hold fresh talks on Mon-members to withhold co-operamr dimon retch, STE's general the present threatened dispute, day with the National Communition from the company from secretary, the union alleges. The letter, addressed to Mr cutions Union. The union's January 11, the day the NCU Mr Simon Petch, STE's general the present threatened dispute. day with the National Communithat during the company's last Richard Worsely, BT's director membership of clerical workers plans to start the second stage

big dispute in 1983 over privat- corporate services, states: "My and engineers is due to begin purpose in writing to you at threatening telephone calls this time is to say that should day. The STE is expected to early in the morning and were the threats currently being join the talks. subsequently told they would made by various managers. The STE and the NCU have BT intimidated some members be dismissed unless they re- within BT to repeat this con- agreed to co-ordinate industrial prior to last month's industrial

unlawful actions by BT with

general non-co-operation on that ban.

The STE and the NCU have

pay offer of 5 per cent. BT said yesterday the offer was "definitive" rather than final. It is understood, however, that the the full weight of the law." company is now prepared to BT said yesterday it was look-after the terms even at the risk company is now prepared to of increasing the overall cost of its pay ofter.

of its action with an overtime

The union is also holding an inquiry into allegations that

# Job sharing 'more common than most think'

BY CHARLES LEADBEATER, LABOUR STAFF

JOB SHARING is more com-

searchers at the Employment spent at work and decisions Relations Research Centre at affecting the job. the Essex Institute of Higher However, many companies some for low-killed jobs where Education suggests 45 per cent and employees saw job sharing temporary contracts, and part-of Essex enterprises may be as merely a more refined, time employment offered more operating some kind of job secure, and predictable form of sharing.

The study, based on a survey of employers, found job pany and employers some sharing was most common in degree of flexibility over the the public sector, where more way working time was organised. than 80 per cent of employers Yet it did not easily fit into

ing concerns operated job forces into core full-time shares, but only a quarter of employees and peripheral retailers, the survey found.

It discovered there were on temporary contracts. mon than generally thought, generally two distinct forms of Joh shares were not core though it will be some time job sharing. The first offered full-time employees but frebefore it is accepted as an two employees who shared a quently had better terms and established form of flexible emsingle job the possibility of pay conditions than perspheral ployment, according to one of the first pieces of systematic with those offered to full-time the first pieces of systematic with those offered to full-time research on its use. A study produced by re- jointly managed the time they

part-time working. Job sharing offered both comoffer job shares. the theory that companies were Over a third of manufacturincreasingly dividing their work-

inappropriate for highly-skilled and responsible jobs, It would. hawever, also be too cumbercost-effective ways to achieve flevibility.

Companies with a large prowere unlikely to favour job sharing, because their managers believed they had already found the most efficient way to achieve flexibility.

employees working part-time or job sharing was local labour tion, Chelmstord,

market conditions. Employers Job shares were not core were particularly willing to create job shares for skilled full-time employees who wanted to work less than full-time hours but maintain some permanent

relationship with a company. A few employers introduced ioh sharme herause they saw political merit in it as a way of easing unemployment,

The researchers found job sharing was much more likely to be organised a neumpanies. where line managers had considerable autonomy over new portion of part-times employees employment patterns, than in more centralised companies. Joh sharing was relatively uncommon among small firms,

Job Sharing, Employment e full-time. The most important factor Relations Research Centre, peripheral leading companies to establish Essex Institute of Higher Educa-

WARE- TUBE STATION

Mr Roy Mason: standing down

# **NUM backs** left-winger in Barnsley

By Jimmy Burns, Labour Staff

LEADERS of the National Union of Mineworkers are in-creasing efforts to have their left-wing candidate selected as successor to Mr Roy Mason, who is standing down as Labour MP for Barusley at the next election.

Yorkshire NUM members were yesterday urged by Mr Sam Thompson, the local general secretary, to cut short their Christmas and New Year break for a meeting to review the Labour Party constituency's selection procedure.

Mr Thompson has written to miners asking for support for Mr Eric Illsley, an NUM office worker, as successor to Mr Mason, himself a unionsponsored MP.

However, the tradition by which the pitmen's choice is automatically the candidate is being challenged by Labour Party moderates. Taking advantage of what they allege is the diminishing power of the NUM leadership in Yorkshire in the wake of the miners' strike Labour moderates are support-ing the candidacy of Mr Ronnie

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### **Textile imports restricted** FINANCIAL TIMES REPORTER

THE UK has for the first time within the Community whatever imposed restrictions on imports of textiles and clothing from other EEC countries.

Rating according to 1985 car market shares \* Year ends July 31, all others December 31

VAG UK (VW-Audi)

Valvo Concessionaires

Nissan UK\* Renault UK

Toyota (GB) Honda (UK)

Citroen Cars BMW (GB)

The restrictions form part of the fourth Multi-Fibre Arrangement (MFA), which came into force on January 1. UK import licences will now be required for a number of products made outside the EEC but imported through other EEC countries. Such restrictions would nor- MFA. mally be prohibited by the Treaty of Rome, which allows lifted on some other goods for the free circulation of goods coming into the UK,

their original source. However, the Department of Trade and Industry said the regulations had been agreed by the European Commission 10 days ago under legislation covering quotas for restricted goods.

The products covered are all subject to restriction on direct import to the EEC under the

Import restrictions have been

BAS	E LENDING R	ATES
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Hongkong & Shangh' 12 Lioyes Bank 11

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Hill Samuel.

C. Hoare & Co.

### Call to ease **BES** rules for inner cities By Andrew Taylor

Source: company accounts

REGULATIONS BARRING the use of Business Expansion Schemes for property invest-ment should be lifted in specific depressed inner city areas, the London Enterprise Agency says in a letter to Mr Kenneth

Clarke, Employment Minister.
The agency, established by 16 companies to create jobs in inner London, also calls for tax incentives to encourage urban. renewal schemes.

It says the changes would allow local investment com-panies with property management capabilities to establish in depressed inner city areas such as Hackney in London or Moss Side in Manchester. The agency says its members

-including Barclays and Mid-land banks, British Petroleum and Shell, the oil companies— have established several schemes to convert old buildings into small business workshops. Mr Jack Newby, director-general of the Building Employers Confederation, yes terday called for greater efforts to tackle urban decay by private and public sectors acting in partnership.

He welcomed initiatives like the establishment of the inner City Trust, but said this City Trust, but said this enthusiasm must be channelled and built upon.

> I.G. INDEX FT for January 1,317-1,323 (—0.6) Tel: 01-828 5699

# Poy and Benefits Bulletin. IRS 18-20 Highbury Place London N5 1QP. Lauour moderates are supporting the candidacy of Mr Ronnie Fisher, a leading Barnsley councillor and a bank cashier. Competitive pressure 'will

BY OUR LABOUR STAFF

change work organisation'

THE well-established structure managers as shop-floor emof work organisation, combining ployees take these on; and a hierarchical pyramid of man-change in the role of middle agement with a strict division managers, who will increasingly of labour on the shop floor, will decline in the next few years in response to competitive pressures, says a report published by the International Labour Organisation.

The report, written by Pro-fessor Bjorn Gustavsen, the director of the Centre for Working Life in Stockholm, says: "New, better and cheaper products are required on highly competitive markets. Work organisation must keep step to facilitate this. Moreover new production methods and-advanced technology are bringing about qualitative changes in the workforce."
In future work will have to

have a "strong motivational component," as well as offering good wages, to meet the aspirations of the multi-skilled em-ployees that companies are

supervisory tasks

support rather than supervise shop-floor work.
Professor Gustavsen says a shift toward greater workerparticipation in decision-making

has already become apparent

through the growth of employee involvement programmes. However, the economic pressures leading to shop-floor workers taking on greater responsibility for managing production will also increase pressure for more workplace democracy, Professor Gustavsen suggests. It will become more

difficult to exclude workers

from decision-making. Trade unions should recognise that flexibility is a legitimate managerial concern and develop new strategies to cope with these changes and maintain their influence, Professor Gustaysen says.

Among the developments he Evolving patterns of enter-predicts are: an integration of prise organisation: The more functions on the shop floor; a toward greater flexibility. Inter-drastic reduction in the control national Labour Review Vol 125, of No 4, ILO, Geneva.

# FINANCIALTIMES

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Saturday January 3 1987

# Self-restraint in takeovers

EVEN PEOPLE who have spent this week on holiday must have realised that the last few days have produced some eye-catching news in the City. The resignation of Morgan Grenfell as merchant bank advisers to the Guinness brewing company, and the simultaneous resignation of Mr Roger Seelig, Mor-deals approaching £15bn last gan's star takeover tactician, year, far more than its nearest have made front page news in most newspapers. These deve-lopments, which are all related to the handling of last summer's bitter takeover battle by Guinness for the Distillers company, have inflicted further damage on the City's reputation; they are certain to produce more calls from Westminster and elsewhere for tougher controls on the financial community, and maybe even restrictions on takeovers.

But the present position over Guinness-Distillers is one where passions are running high, yet .. = Because of this, the Guinness analysis needs to be cool. On affair may well mark something the evidence so far, the case of a turning point in the conappears to be one where the duct of takeovers in the UK causes of the scandal have to Morgan, and Mr Seelig in pardo with an excess of competitive ticular, set standards of zeal rather than poor regulation. Ferocity in attack as well as and at this stage there is no prima facie case for new curbs

### Public concern

Nevertheless, the case is a cause for public concern. The evidence which is steadily accumulating suggests that, at the very least, there were breaches of the Takeover Code, if not actually the Companies Act itself, making it a potentially real instance where criminal allegations have been made about a takeover. Investment institutions appear to have been offered inducements to buy Guinness shares to boost Guinness's share price; if Guinness was financing those induce-ments, that might be a criminal offence since companies are not allowed under the Companies Act to buy-or help others buy -their own shares without due procedures which were not observed in this case.

equivalent of a Hollywood star. Board.

competitive world of finance the pressure to come up with new ideas is intense, and a merchant bank must give its people enough leeway to be creative. Judging by Morgan's extraordinary success in the takeover business (it. handled rival) it knew how to deploy its talents to good advantage. But any organisation must strike the right balance between freedom and discipline, particularly if, like Morgan Grenfell, it is also a bank whose sound ness is a matter of prudential concern That balance does not appear to have been respected in the Guinness case, with the consequences that we are now

### Turning point

of a turning point in the con defence which other merchant banks were forced to match if they were to retain their clients. But after this week, Morgan may be expected to set a more moderate pace; and to restore its clients' confidence it may have to tighten discipline. I this were to lead to greater selfrestraint in the City at large, this would be welcome:

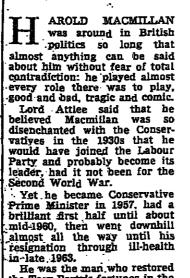
The purpose of the takeover business is not to make stars of those who arrange them or to earn merchant banks high places in the league tables by which they - but few others - lay such heavy store. It is to main-tain pressure on publicly quoted companies to operate efficiently, and to aid structural changes in industry: because of this, sensibly planned and well-executed takeovers are in the public interest.

The full story on Guinness has yet to be told. But so far, the affair does not necessarily What exactly went on is reinforce the currently fashion-being investigated by the able case for tighter regulation Department of Trade and Indus- of the City, though it plainly try and will be the subject of points to the need for greater report in the months to come, prudence by takeover prac-It is clear, though, that the titioners. Although the inquiry Guinness bid was an extreme into Guinness by the DTI was example of aggressiveness in triggered by a tip-off from the takeover tactics, combining as US - a point which needs to it did one of the UK's most be carefully noted by the determined company manage- authorities in Britain — the ments with a merchant bank DTI now enjoys enhanced eager to score takeover vic-tories. Morgan Grenfell has of wrongdoing in the City as a even prided itself on-giving Services Act, and these should hard-driving executives be given a chance to work, plenty of freedom to fight their along with the new regulatory battles as they thought best. system created through the Mr Seeling had become the City Securities and Investments

# POLITICS TODAY

# Wars of the Tory succession

By Malcolm Rutherford



the Tory Party's fertunes in the aftermath of Suez, yet almost destroyed them again when he departed with no obvious successor and no agreed means of finding one. During the Suez affair, when

was Chancellor of the Exchequer, he was "first-in, first-out." Lord Butler wrote of him; "He switched almost overnight from being the for-most protagonist of intervention to being the leading influence for disengagement." Hugh Gaitskill, the leader of

the Labour Party, thoroughly distrusted him as Prime Minister. Harold Wilson, Gaitskill's successor, openly admired him. The Tories, too, have mixed views. To some he was the epitome of the Party's "One Nation " tradition established by Disraeli and said to have been abandoned by Mrs Thatcher. To others he was the Prime Minister who let the rot set in: rising inflation and loss of control over public expenditure.

When he left office, he gave

the impression that he had gone for good. He accepted, he said, "inevitable E finita la Commedia.' It is tempting, per-baps but unrewarding to hang about the green room after final retirement from the stage." He saw no point in going to the No one who was around at House of Lords, yet 20 years the time can fail to remember later he did and came back to how politically awful that haunt the Conservative Party as the Earl of Stockton, the name drawn from his pre-war

He cast a spell over the Party until the end. A slightly dissi- same week that Gaitskell died. dent Cabinet Minister would The sex and spy scandals murmur: "I saw Harold Mac-milan the other day and he was "Whither Macmillan?" was a saying: 'You can't have an common theme of the press and unpopular Chancellor. You we now know from the diary need someone solid, reliable like of Harold Evans, his Press
— like — Heathcoat - Amory."

(Amory was one of several chancellors in the Macmillan that of a bunker. Resignation period.) And so, in the insi
was contemplated throughout dious way of Tory gossip, the 1963, though in the end it came word went round that the Earl only with illness and, ironically, of Stockton thought that Nigel only a day or two after the

It is said that he was the first stay on. British Prime Minister to master performing on tele- who only a few years before vision. Yet television also con-tributed to destroying him. For thing in his stride. How did the declining period of his the transformation come



Post-war Conservative leaders

premiership coincided with a renascence of British satire Beyond the Fringe" and the television series "That Was The Week That Was." Amid the Vassall and Profumo scandals, Macmillan with his Edwardian manner was hit and wounded practically every week.

period was. In January 1963, General de Gaulle gave his press conference indicating that constituency when he was out there was no hope for British in the Tory cold. there was no hope for British entry to the Common Market— Macmillan's boldest bid-in the

Yet this was the same man

about? One answer is that Macmil- party he had once united. lan came to the premiership too late and stayed too long. Another is that the Tory Party becomes restless when it is not doing well. A third is that the press can become pretty vicious when it begins to be bored by a government. The was Eden, and had been for Times, for instance, was writ-years. Yet Churchill stayed and ing in 1962: "Eleven years of stayed and when Eden finally Conservative rule have brought sought to force the pace at the the nation psychologically and spiritually to a low ebb." A fourth is that any Prime Minister depends to some ex-

tent on luck and riding the climate of the time; the time; the trouble with luck is that it tends to run out, and the climate can change. The situation might have been easier if there had been an obvious successor; there was not. Macmillan also had a tendency to panic when the going got rough. In July 1962 he

sacked seven members of the lor, Selwyn Lloyd, in order to the Government a new didates to succeed him look. The move back-fired soundings were conducted by When Selwyn Lloyd entered the Lord Salisbury, the Lord Presi-

lan was losing control over the According to Rhodes James, all of them The succession question was began by saying something like: all-important and remains so in the Conservative Party today. For all their outward to the headmaster's study. Salisbury asked only one question: "Well, which is it assurance, the Tories have never quite known how to handle it

end of 1954, Churchill asked "How do you get on with Harold (Macmillan)?" Eden replied:
"Very well. Why?" "Oh,"
said Churchill, "he is very ambitious."

Eden got it, but both Macmillan and Butler were left waiting in the wings. As early as 1946 Hugh Dalton, the Labour Chancellor, had written in his diary that both of them were trying to oust Eden as acting leader during acting leader Churchill's absence.

When Eden resigned after Cabinet including the Chancel- Suez, Macmillan and Butler played a large role in securing hope that a successor will lor, Selwyn Lloyd, in order to were the only two possible can the partial nuclear test ban "emerge" in time. There is

speech before the South African Parliament. Can ayone imagine a British Prime Minister daring to spend six weeks abroad today, let alone in Africa, though Macmillan said privately that it was just that he wanted to get away from London in the middle of winter?

It is not quite true that he It is not quite true that he neglected the economy. The "never had it so good" speech was misleadingly reported. In the next paragraph he asked.

the next paragraph he asked. "Is it too good to last?" He went on to give a warning about inflation: "Can prices be steadied while at the same time we maintain full employment in an expanding economy?" The Press gave the wrong emphasis. He did, however, treat too lightly the resignation of Chancellor Thorneycroft and others of the Treasury team, including Enoch Powell, in protest over rising public expenditure, something for which Mrs Thatcher seems never to have forgiven him. He did not recognise the need for trade union reform nor the

for trade union reform nor the extent of Britain's impending relative economic decline, but

neither
What he did neglect was the
Tory Party, Macmillan became
like Churchill in thinking that although he ought to go, none of his likely successors could emulate him in foreign policy, so therefore it was better to stay. The theory was that there were three front runners among the younger generation: Edward Heath, Reginald Maudling and Iain Macleod. In time one of them would "emerge" as the natural leader. Macmillan, again like Churchill. was determined not to have

When the climax came, he assumed that Lord Home—the eventual successor—would not be available, and plumped for Lord Hailsham. The best of the biography of Eden by Robert party erupted not because it had much against Home, but because of the manner in which the proceedings were conducted. (Cyril Connolly had written of Home in his school days at Eton that in the 18th century lie would have been Prime Minister before he was 30.) mended Macmillan. So did

It is said that it is different today. Tory leaders are now elected by the Parliamentary Party. That was the way in Party. That was the way in which Mrs Thatcher displaced Mr Heath in 1975, though in fact that was more of a coup than a contest: nobody thought she would win, so William Whitelaw did not stand in the first ballot when he might have persuaded Heath to stand down.

Some day what happened to Macmillan could happen to Mrs Thatcher. She might be ready to go, but anxious to keep control of foreign policy and conscious that there is no obvious successor, so she stays too long. Old Tories, like Whitelaw.

Thatcher is safe provided that when Selwyn Lloyd entered the chamber for the next Prime dent, and Lord Kilmuir, the Minister's Question Time, the ex-Chancellor was cheered by Tory back-benchers. Macmil-

I.G. Farben

# Dying echo from the Third Reich

By David Marsh in Bonn

THE FINAL act is being played out in the emotive and long-running drama of the rise and fall of L. G. Farben, the once-mighty German chemicals

The company's fluctuating fortunes have mirrored the vicissitudes of the German nation over a turbulent and tortured century.
Now, with controversy over

G. Farben's role in backing Hitler stoked up by an 8½-hour, DM 18m West German TV film, Voeter und Soehne, it is enjoying an extraordinary stock market resurrection which could be the prelude, after years in limbo, to a final laying to rest.

The LG. Farben cartel was prisoners from Auschwitz, who born during the First World War, when it played a vital role in munitions production, and it. reached full strength after a wholesale merger of the German chemicals industry in 1925.

Its scientists and engineers became synonymous with the best and worst of Germany. Fritz Haber—the Nobel Prize winner who, in association with BASF, invented the synthesis of ammonia in 1909—provided the breakthrough allowing I.G. Farben to make both fertilisers and explosives. During the First World War he was responsible for poison gas production.

Although at first treated with suspicion by Hitler, partly because of the presence of Jews on its supervisory board (they were later removed), the company moved into the orbit of the Nazis and played a significant part in equipping Germany for the Second World

Until the Nazi defeat in 1945 It was the biggest company in part of the Americans' post-war Germany and the most powerful plan for West Germany, to chemicals group in the world. rebuild its industrial muscle But it permanently stained its and form a bulwark against the name by building its own con-Soviet Union.



Bruno Ganz plays Heinrich Beck, the patriarch of I. G. Farben, in the film to be shown on

were used to build a synthetic rubber plant in the closing years of the war. In the LG. Farben camp, run by the SS, an estimated 25,000 people were worked to death.

I.G. Farben in Abwicklung (in liquidation) was spawned in 1952 to manage the group's financial assets and liabilities following its winding up by the in the world.

victorious Allies. Its leading As for I. G. Farben in executives were sentenced at Nuremberg for war crimes. The settle into a staid life in reemployees. The company sends executives were sentenced at Nuremberg for war crimes. The company was divided up, like Germany itself, to contain its

It was split into its original component parts—led by BASF, Bayer and Hoechst—which took over what was left of I. G. Farben's industrial plants in West Germany. In addition to shares in these compaies, I. G. Farben's 135,000 shareholders also receive, as part of the winding-up process, liquidation

certificates. The reshaping was an integral

groups have steadily eclipsed issued liquidation certificates, leading US companies, climbing now trading at DM 9.50 per back to the top of the international chemicals league. In treble their value in the 1970s. November Hoechst mounted a takeover bid for the US-based in the Duetsche Bank bought Celanese Corporation—one of in 1936, the most venerable I. G. Farben's main rivals during part of a portfolio of DM 90m the 1930s—which would turn in securities, vigorously traded the West German concern into by one of the two managing the biggest chemicals company receivers, Mr Guenter Voll-

ceivership. Situated in a quiet Frankfurt street, not far from the chemicals group's monolithic pre-war headquarters, it has grown into a small and successful financial empire.

The company's liquidation certificates are quoted on all eight West German stock exchanges and in Vienna. With a net worth of DM 150m, which has been boosted in recent years through able manage-ment of its property and securi-ties portfolio, it has become an exotic and speculative boom stock for German equity buffs. One of its oddities is the denomination in Reichsmarks (the currency of the defunct

RM 100 share in Frankfurt. Among its assets are shares

out parcels twice a year to former workers now in East

On a more sinister note, the company's balance sheet ings.
includes a reserve of DM7.4m However, the action is bound

Its principal subsidiary is the Abwicklung's assets on the Ammoniakwerk Merseburg stock market over the next two (AMK). Originally set up in 1920 to run I. G. Farben's First With the majority of I. G. World War Leuna ammoniasynthesis plant, near Leipzig, turned into cash, the way now in East Germany, the plant would be prepared for a lump was a vital cog in Hitler's war sum to be paid to shareholders machine. sum to be paid to shareholders representing the final winding

Now, swords have been The "Big Three" chemical German Reich) of its 13m turned into ploughshares AWK affairs,

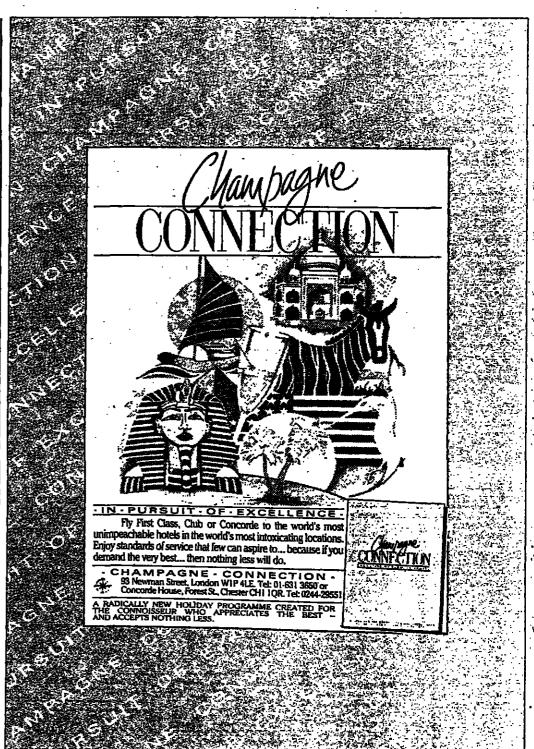
to try to recover DM100m from Union Bank of Switzerland. This represents part of German corporate assets confiscated in the US during the war.

As a result of a complex and ironically successful effort by L. G. Farben to conceal its war-time holdings in the US, through the use of a disguised Swiss holding company, assets worth \$122m were returned in 1962 not to Germany but to Switzerland, where they have ended up in the hands of the Zurich bank.

The lawsuit could be irksome for the Swiss, says Mr Voll-mann. But it could provide rich pickings for investors who have stuck with their liquidation certificates. A total of 51 per cent of L G. Farben in Abwicklung's shares is in the hands of a German-Swiss investors' group led by a Bremen lighting manufacturer. The German federal court in The German federal court in Karlsruhe has given a favourable ruling on the claim, but a final settlement could take

years of further court proceedset aside to cover war claims to influence plans being for damages covering about hatched to float AWK, suitably 6,000 mainly Polish concentration camp prisoners.

The week, the action is bounded in the serious being to influence plans being the suitably strengthened through transfer of the bulk of L G. Farben in



"This is just like being called

overwhelming majority recom-

It was fine while it lasted. Macmillan did restore the unity of the party. He won the general

election of 1959 with an over-

whelming majority. In particu-lar he repaired British relations

with the United States, helped

by the fact that he had been

on close terms with Eisenhower

time as Prime Minister, Mac-millan said, was spent on over-seas affairs. That is not a criticism; in the circumstances

of the time, it was probably un-avoidable. He set Britain on the road towards Europe; he

second wave of decolonisation.

the first having been India

About three-quarters of his

during the war

(sic) Wab or Hawold?"

Churchill.



January 3.

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development by Standard Life makes all the difference.

# FINANCIALTIMES

Saturday January 3 1987

Electricians'

hit live BBC

However, the BBC says it will

The dispute stems from a 20 per cent wage rise awarded to scene shifters in 1984. EETPU

says this has eroded the traditional pay differential between scene shifters and

skilled electricians.

The electricians voted three to one in December to strike,

but delayed the action to avoid

action to give it an attempt to

them, so the strike will go ahead

as planned."

The BBC says it cannot meet

the electricians' claim for a 20 per cent pay rise until it has

completed a review of terms

strike will

broadcasts

By Charles Leadbeater, Labour Staff

tivity dispute.

production.

tricians union.



# Computer frauds increase in size

in three years—from £31,000 risen from in 1983 to £262,00 last year — per cent. while the maximum loss re-

criminals. A French fraudster who cheated a UK bank of £180,000 was given 30 years to pay it back, easily long enough to raise the cash from the into raise the cash from the in-consequences of being detected, was overloaded and unable to terest on investing his ill-gotten given the many opportunities to monitor the amounts.

The latest Computer Related examples of computer fraud in then go into hiding in another the UK since 1959. The authors, country. Dr Kenneth Wong and Mr Bill Farquhar of BIS Applied Sys- who in 1983 were seen as the tems, a computer services comprincipal candidates for the pany, say many of the frauds bigger frauds, now take second they describe were never publicised: "Computer fraud often leagues involved in EFT

Irish losing

retail sales

to Ulster

By Hugh Carnegy

THE AVERAGE amount stolen first issue of the Casebook in risen from 29 per cent to 37

Unscrupulous young execu- withdrew cash from bank auto-tives, Dr Wong and Mr Farquar mated teller machines while say, are willing to gamble on the the telecommunications network a one-off killing. They are "logic bomb" into a system to then go into hiding in the stakes

Consequently, senior managers retains its secrecy even after detection," they say.

The larger losses sprang from the growing abuse of electronic funds transfer (EFT) systems, they say.

Compared with the ir organisations, the continuing to defraud their employers.

It is secrecy even after dent monitoring, detection of a system its that logic bomb is difficult.

A low cost computer maintenance company secured their organisations, the continuing to defraud their employers.

THE AVERAGE amount stolen first issue of the Casebook in Men are four times more in any computer fraud detected 1983, the proportion of cases in likely than women to go in for in Britain has risen eightfold the financial services sector has computer fraud and they perpetrate bolders schemes resulting in higher losses.

while the maximum loss recorded has gone up from

£500,000 to £10m.

Penalties are often light because many companies are
refluctant to prosecute computer
milked away over a long time,

for cent.

Frauds involving the illegal

Most of the examples recorded
in the Casebook are simple
frauds open to anyone sufficiently unscrupulous rather
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but involve much higher risks. 

Customers who repeatedly

mined time. He was called back to fix the fault for a fee of £200 a day. The company became suspicious after the third breakdown and checked on his work. The authors warn, however, that without indepen-dent monitoring, detection of a

leavers on a government spon-sored youth training scheme without any knowledge of computers. Dr Wong and Mr Farquhar

say that in most cases astute management control is the only

# £20,000 contracts from several Computer Related Fraud organisations. The "trained Casebook, BIS Applied Systems, maintenance engineers" sent (01) 633 0366. (£50).

# Murdoch loses key round in

RISH SHOPPERS crossing the border to Northern Ireland may be costing the economy of the Republic as much as IE250m (£238m) a year.

THE BATTLE for the Herald his small investment company and Weekly Times, one of J. N. Taylor Holdings, apperently proved impossible for the HWT board to ignore. In News Corporation, with its phase yesterday after Mr Rupert Murdoch, the Australian-born international media nersonality.

According to Mr Murdoch investors interested in these alternatives will prefer a stake for the HWT board to ignore. Although Mr Murdoch appears to be under pressure treets, to J. N. Taylor, the international media nersonality. The trade, fuelled by sharply lost a key round of his take-

by converging currency rates, hit a peak before Christmas as thousands streamed north to Belfast and other towns in search of bargains on petrol, holders accept an improved drink, electrical goods, toys and counter-offer from Mr Holmes

A predicted rise in consumer spending in the Republic failed He said the decision defied to materialise last year, helping logic. Earlier he had unexto strangle hopes of significant growth. Spending seems to have gone outside the state, principally to Northern Ireland.

Dr Rory O'Hanlon, a frontbench member of the opposition Fianna Fail party, estimates the annual loss to the Republic at

And Mr Michael Smvth. economics lecturer at the University of Ulster, believes it is the paper alternative involving Christmas Eve.

This is based on the fact that in the first eight months of last year, the volume of retail sales in the south fell marginally compared with 1985. Personal disposable income, however, went up slightly. This gap was not accounted for by savings as the ratio of savings to dis-posable income fell by 2 per

posable income fell by 2 per cent.

The implication is that a 2 per cent rise in spending has per cent rise in spending has to company to multiplex (multi sidered likely, following descreen) cinemas in the UK.

The implication is that a 2 per cent rise in spending has company to 10 multiplex (multi sidered likely, following descreen) cinemas in the UK.

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The implication is that a 2 per cent rise in spending has company to 10 multiplex (multi sidered likely, following descreen) cinemas in the UK. gone outside the state. The Finance Ministry in Dublin disputes this, but is

unable to offer figures of its own. Its best estimate is that 11,000 southerners shopped in the north every Saturday in September, a figure which it reckons rose to 20,000 before Christmas.

The September figure would represent a tax loss to the state of about I£1m per Satur-

day, it says. The irony for Dublin is that Northern Ireland's economy is more precarious than that of

Angle-Irish aid, Page 5

# Australian media group battle

BY CHRIS SHERWELL IN SYDNEY

international media personality, higher value added tax and over fight against rival bidder excise duty in the south, and Mr Robert Holmes à Court.

At a special meeting which lasted several hours the board of the Melbourne-based news-paper and television group recommended that its shareà Court which valued the group at A\$2.03bn (£908m. Mr Murdoch reacted angrily.

pectedly appeared before the board in a last-minute attempt to persuade its members that the lower offer of A\$12 a share from News Corporation, which the board backed last month, was still better because it was supported with a superior paper alternative.

However, Mr Holmes à Court's

BY RAYMOND SNODDY

tion and expansion programme,

following its \$75m (£51m) deal

with Warner.
Last month Caunon formally

chester. A 17-screen cinema with 2,800 seats is planned for

dilly Circus.

site just off London's Picca-

The Warner-Cannon deal in-

cluded a two-year option for

Warner to take a 50 per cent stake in Cannon's European

cinema circuits—a total of 525 screens in the UK, the Nether-

or drop the fight he yesterday indicated he would simply press ahead without the board's recommendation and let share-

holders decide for themselves. The board said its recommendation could change if there was a substantial change in the share prices of companies involved in th ebattle. Analysts suggested this might happen, poiting to firmer prices on the stock exchange yesterday.

Mr Murdoch's paper alternative to his A\$12-a-share offer is for two A\$18 5 per cent convertible notes or two ordinary shares in News Corporation for every three HWT shares. Mr Holmes à Court is offer-

ing nine A\$7.50 convertible over target notes or nine convertible pre- As for HW ference shares in J. N. Taylor for every five HWT shares, up

Cannon expansion to go ahead

Communications last month, is four-man board to run the Euro- with his cousin Menahem

up as a crown for both com-

achieve our dreams much

Bond Corporation of Australia. Warner paid \$25m for video distribution rights on a num-

chief executive, said the group Mr Globus said: "It is our Elstree will be the twould carry out its modernisa- intention to build the cinemas British studio this year."

CANNON GROUP, the film lands and Italy. Cannon and company rescued by Warner Warner are now setting up a

p to 10 multiplex (multi sidered likely, following decreen) cinemas in the UK. tailed assessment of the deal Mr Yoram Globus, Cannon's by Warner executives.

faster.

pears to be under pressure terests, to J. N. Taylor, the either to improve his own offer main assets of which would be those of the Herald and Weekly

> Attention now turns to HWT's shareholders, especially to those who wish to remain equity investors in the Australian media sector. The biggest share-holders are Queensland Press, with 24 per cent, and Advertiser Newspapers of Adelaide, with 12 per cent.

> Because of cross-shareholdings HWT controls 48 per cent of Queensland Press and 50.1 per cent of Advertiser Newspapers. The critical choice thus rests with Queensland Press, in which Mr Holmes à Court controls 14 per cent. Some analysts believe this will become another take-

As for HWT Mr Murdoch controls 12 per cent and Mr Holmes à Court just less than 3 per cent. Both bidders have indi-11th-hour increase in his bid from the seven-for-four offer cent. Both bidders have indion Thursday, from A\$13 a share which accompanied the initial cated they will dispose of some to \$13.50, with a sweetening of cash bid of A\$13 made on of HWT's assets if they win

Mr Globus, an Israeli-born

New productions would in-

Mr Globus said Cannon had

distributed in the US by Warner. The company, noted in the past for its buccaneering

Disney and Cannon itself.

### disrupting Christmas and New Year programmes. Mr Harry Hughes, the EETPU executive council member leading the dispute, said: "We gave the BBC fair notice of this reopen talks. Over the holiday period I have not heard from

and conditions for all 5,500 weekly paid staff.
Negotiations, started after electricians voted for a strike in December 1985, broke down three months ago.

The BBC says the union was unwilling to accept productivity savings which could have paid for significant increases in basic

pay for electrical craftsmen. Mr Roger Chase, the BBC's deputy director of personnel, said: "In the coming days the BBC will continue its efforts to convince those concerned of the very real benefits of this approach, which could provide major long-term improvements for all weekly paid staff."

Every electrician would be sent a letter explaining the background to the dispute and the BBC's position, he said. The Broadcasting and Enter-

tainment Trades Alliance, which represents scene shifters, is also in dispute with the BBC over 60 staff in the film and video library who say they have been locked out since December after changed shift patterns.

taking industrial action over It is possible the two unions may join forces to pursue the separate disputes.

### Continued from Page 1

### Reagan

The target is widely viewed as unrealistic in the light of what Congress believes are essential spending programs. Influential Democrats are floating a deficit figure of \$135bn as an alternative.

The OMB said the New York Times's report was misleading in its claim that the Administration would cut farm aid by half from \$25.3bn this year to \$10.4bn in 1992.

A senior official said that this assumed that Mr Reagan's controversial plans to overhaul the federal farm aid programme would be accepted by Congress. He predicted that farm aid would continue to run at about \$20bn a year if changes did not take place.

The OMB believes that the cost of Congress doing nothing —assuming the US economy ran on automatic pilot—would be a total budget deficit of some \$150bn.

Some commentators believe that the final outcome of the president's budget negotiations with Congress will be a budget deficit figure somewhere be-tween \$150bn and \$107.8bn.

The Commerce Department reporting the 4.1 per cent out-put increase in November, said orders totalled \$200.4bn in November following a 107.9 per cent rise in demand for defence equipment. The overall increase, which

followed a 3.5 per cent decline in October, was the best monthly performance since the 4.4 per cent rise in November Without the big jump in the

volatile defence category, fac-tory orders would have risen a much smaller 1.13 per cent, after a 1.6 per cent October decline and a 3.3 per cent September rise in the civilian category. In a second report, the Com-

struction spending fell 0.7 per cent in November In the report on factory orders, the Government said the defence orders rise was the biggest in more than 12 years,

merce Department said con-

THE LEX COLUMN

# Buying in the January sales

BBC live television broadcasts will be hit from midnight to-night as electricians strike over Judging by yesterday's stock market trading, foreign in-vestors take shorter New Year a long-running pay and producholidays than UK ones. Equities looked quite hungover until Wall Street opened firmer, while overseas interest seems to The strike by about 550 electricians will affect live programmes such as Newsnight, have spurred the gilt-edged market Warburg found demand for two five-year Eurosterling Breakfastime, and the Terry Wogan show, as well as outside broadcasts, and programmes in bonds, totalling a hefty (for that market) £150m. They in turn generated purchases of similarly-dated gilts, because of attempt to maintain its full the interest rate swaps attached.

range of programmes despite the action. The Arseval-Totten-The Government Broker must have seen the same demand as ham Hotspurs football match, due to be covered live tomorrow, Warburg and a £1bn, seven-year glit issue followed, presumably may be shown.

The BBC said no talks were planned with EETPU, the electargeted at foreigners.

Funding on the back of real demand is always a good idea, but in this case a little risky. The attraction of sterling to the hot money deserting the dollar is the higher oilprice. If that should crack, the foreigners would swiftly depart and talk will again be of interest rate will again be of interest rate rises not falls.

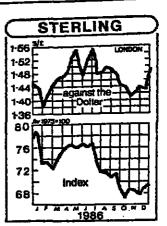
### Translation

Sterling's bout of strength on New Year's Eve, though no doubt convenient for foreign exchange dealers' books, was just what finance directors did not want to see. Those prepar-ing calendar year accounts, and using year-end exchange rates to translate overseas profits, could see their earnings slip away with every basis point gain in the pound. Wednesday's 1½ cent rise against the dollar makes a difference of only \$700,000 on \$100m of US profits. As nearly half of the profits of leading UK companies come from abroad the question of translation is a vexed one.

Under standards either year-end or average rates can be applied, although in the US companies are required to translate at average rates. Among the top 170 UK industrial companies only a third use average rates, according to a Phillips & Drew against the D-Mark and related survey. Analysts on the other currencies. Perhaps such survey. Analysts on the other hand, prefer companies to employ average rates in the belief that they smooth out belief that they smooth out belief that they smooth out blame translation losses for effective Day 39, with a constant of the benef that they smooth out extra profits than some are to blame translation losses for a series of years the two methods are likely to even up, and as finance directors find year-end translation much simpler. ler. a widespread switch is The battle for the Herald unlikely unless the balance of and Weekly Times is final—

panies using year-end rates some cash and a woollen mill, to the schedule.

Index rose 6.3 to 1320.2



than average. The first half rise in the pound from \$1.44 to around \$1.53 brought out much whingeing in interim statements along the lines of "but for the rise in sterling, profits would have been..." But with the year end rate back down to \$1.48 much of those "lost" profits have been regained.

Meanwhile, companies translating at average rates having gained on the others in 1985, suffered in 1986. The 1985 average rate was around \$1.30 while the 1986 average is much closer to the year-end number. While year-end rate translators took virtually all the damage from the dollar's fall in 1985, companies using average rates spread the pain over two years.

The dollar is the most impor-tant currency for UK com-panies, with about a fifth of profits coming from North America. But the real gainers accounting from exchange rate moves in year-end or 1986 will be those companies 1986 will be those companies with business in Europe, or competing against Europe in export markets, such as ICI, Unilever and Jaguar. They have had a bonanza as sterling have had a bonanza as sterling Day 39 in the Valuedale/Simc Engineering saga and today D.

The battle for the Herald advantage at some time is significantly in favour of one between Mr Holmes à Court's Christmas holiday in the middle cash and Mr Murdoch's paper.

As far as the dellar goes Should Boll middle of the cash and Mr Murdoch's paper. advantage at some time is signifinal offers not withstanding-As far as the dollar goes, Should Bell vehicle J. N. Taylor proper conduct of bids ought 1986 has been better for com- succeed, its value, apart from ensure that the parties can sti-

Similarities exist between Taylor (Media Resources) and the birth and life of Bell Resources — an earth-moving equipment distributor in Western Australia until Mr Holmes à clourt alighted on it - but there is a vital difference. The

(minus any unruly minority).

there is a vital difference. The battle for BHP, shares in which constitute most of Bell Resources underlying value, was bound to be a long one (and is still going strong after three years). Investors therefore could hardly lose even a fore could hardly lose even a side bet that at some point a profitable opportunity to sell would arise. Final judgment on what Bell could do for BHP hardly mattered most of the With HWT, Mr Holmes

Court is seeking immediate con trol and even if Taylor has been groomed as the next major Bel investment vehicle, valuation-based on this prospect stray heavily into the hope value

As some Australian institutions will be attracted by M Murdoch's paper, in which the are generally underweight there is no need to rush to accept — we have not even has the routine legal action threa yet. Further, News Corporation will not take easily the pro-pect of losing out on the lamajor stable of media interest available in the country. Afte all, once you are bidding ove 30 times forecast earnings at other couple of points hardi matters in the grand scheme c

### Bid timetables

Yet again the Takcover Pane

has been forced to renumbe

the calendar during the cours

of bids because the authoriti-have failed to decide whethe 39 for BTR/Pilkington, but ti panel has been forced to fix quent delay in the rest of il timetable. It should be possib for the OFT to make such decision, however momentum in the time it takes a merchabank to post an offer documen

# NET ASSET VALUE

With U.S. stockmarkets advancing strongly in 1986, Govett Atlantic Investment Trust PLC (formerly The Stockholders Investment Trust plc) has produced a

The net asset value per share has advanced 20.7% during the year, bringing total resources to a new record of £151.4 million. Earnings have again been satisfactory and the annual dividend has been increased by 7.1%. This success is reflected in the ordinary share price which has risen 18.5%

to 141p in the year to 31st October 1986. For a copy of the latest Annual Report and Accounts, please return the coupon below.



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### (Prices in pence unless otherwise indicated) RISES

CHIEF PRICE CHANGES YESTERDAY

	UK today: Widespread frost, severe in
Lond Mchant Secs 67 + 5	Pilkington Bros 658 — 7
Legal & General 263 + 7	FALLS
Home Counties 282 + 7	Whitbread A 275 + 5
Hawker Siddeley 455 + 10	
TT	Wettern Bros 155 + 14
Guinness 300 + 12	Western Mining 254 + 8
GEC 189 + 5	Victoria Carpets 153 + 5
F. S. Cons Gold 783 + 52	Vaal Reefs 571+ 31
Coalite 289 + 5	1 HOTH EDIT 404 1 AD
Diaman (C. D.) III III I	Thorn EMI 481 + 12
Bramall (C. D.) 143 + 6	Tate & Lyle 573 + 10
Braithwaite 173 + 8	TACE 425 + 15
Exch 12pc '13-17£119+ + 1i	Sedgwick 311 + 8
Treas 5 pc 2008-12 £621+ 2	VOMPORE Track topic 311 . O
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'Ajaccio S 15	59	Dallas		_	_	Madeira	C	17	63	Perth	5	25	77
Algiers S 17	63	Dublin	C	6	43	Madrid	Fg	2	36	Pregue	F	6	43
Amadm, C 3	37	Dbrvnk.	C	13	55	Majorca	Š	18	64	Reykjyk.	. F	1	34
Athens S 16	61	Ednbgh,	С	5	41	Malaga	Š	16	61	Rhodes	s	17	63
Bahrain F 18	61	Faro	F	17	83	Malta	Č	15	59	Rio J'o		_	_
Barcina, S 15	59	Florence	С	13	55	M'chatr.		5	41	Rome	F	16	61
Belfast C 6	43	Frankft.	C	7	45			30	88	Salzbig.	R	5	41
Belgrd, R 8	48	Geneva	R	6	43	Mx. C.	_			S F cise		9	48
Berlin Sn - 5	23	Gibraltar		_		Miamit	S	12	54	Seoul	Ř	3	37
Biards F 12	54	Glasgow	R	4	39	Milan	Fg	ž	36	Singapr.	F	30	86
Bonghan, C 5	41	G'rnsey	H	9	48	Montri.t		-5	23	S'tiago		_	
Blackpl. F 7	45	Helsinki	s-	-22	~8	Mascow	S-	- 15	5	Stcknm.	Sn-	-14	7
Bombey S 29	84	H. Kong	С	21	70	Munich	F	3	37	Straabg.	C	6	43
Bords. F 12	54	Innsbrk,	F	7	45	Nairobi	F	25	77	Sydney	C	24	75
Boulgn	_	Invings.	s	0	32	Naples	C	15	69	Tangier	Ç	14	57
Bristol R 8	46	I.o.Man	S	6	43	Nessau		_	_	Tel Aviv	, ~	_	_
Brussels C 7	- 45	istanbul	F	11	52	Nwcstl.	C	5	41	Tanerile	S	20	68
Budpst, C 6	43	Jersey	C	10	50	N Daihi	s	18	64	Takyo	\$п	5	41
Cairo F 19	86	Jo'burg	s	26	79	N York		_		Trentet	Sn	-3	27
Cardiff Dr 7	45	L. Pims.		19	661		s	19	66	Типъ	S	16	61
Cape T. S 23	73	Lisbon	С	16	61	Nicosia	S	18	64	Valencia		17	63
Chicg.† Sn 1	34	Locarno	F	13	55	Oporto	S	13	55	Yenice	C	5	41
Cologne C 7	45	Lendon	C	8	46	Oslo	5-	- 15	5	Vienna	Ç.	7	45
Conhan. —	_	L. Ang.t	S	12	54	Paris	R	6	43	Warsaw	Sn-	- 10	14
Cortu F 14	57	Luxmbg.	C	4	39	Peking	s	-4		Zurich	R	4	39

Dr—Drizzle, F—Fair, Fg—Fog, H—Hail, R— Sunny, SI—Siest, Sn—Snow, T—Thunder, † Noon GMT temperatwas.

# Poster Continued from Page 1

to purchase convertible pre- would adopt a si-ferred Cannon stock for \$50m. cautious approach.

Warner are now setting up a American who runs Cannon

by Warner executives. not on the block for sale.

Mr Globus said: "It is our Elstree will be the busiest

panies. With Warner we can clude films from Spielberg,

The December 23 deal, which 40 films in the can, with included the cinema purchase principal photography compostion, enabled Cannon to pay off £53.3m in debt outstandbetter year at the box office

ing from its £175m purchase
of Thorn EMT's Screen Entertainment division from the Top and Superman IV, to be

ber of Cannon films and agreed ways and rapid expansion, to purchase convertible pre- would adopt a slightly more

detained at an earlier protest.
(Police say 15 students were (Police say 15 students were The average Chinese, relying taken into custody, while students claim there were 24 student protests, could be ex-

The Government was further strated at the square while police simply watched. A diplomat said the march,

which defied a ban on street protests, had raised the stakes in the conflict between govern-ment and students and also the question of how long the government could allow illegal actions to continue without actions to continue without allowing its authority to be further undermined.

The government warned this week that people responsible for counter-revolutionary "dazi-

Peking University students, against their family.

to dissidents all over the who took the lead in the world." Xinhua said an unlatest protests, had no plans named Chinese resident asked: yesterday for further demonstrations, though some were agitated by a campus rumour The Peking Government suf- that some students were still in fered a great loss of face when custody. They were angered, the student street march to by press coverage of the Tiananmen Square successfully march, which was attacked in a secured the release of students protest poster pasted up yester-

cused for becoming a conspiracy theorist. Blame for the trouble humiliated early yesterday, has been variously levelled at when the students demon. Talwanese-backed agitators and a new political group in Shanghai that apparently has

only one member.

Wall posters have become
an important medium for protesting students, who were told by this menas of the planned Tiananmen protest and of demonstrations in other Chinese cities.

further undermined.

The loss of authority is likely to be at the heart of complaints by conservative leaders concerned by the loosening of Communist Party control. Statements in the past week show that numerous officials believe ideological and party control

must be reasserted and the for counter-revolutionary "dazibac"—big character posters—were liable to a jail term Neverthejess, posters this week have been bold. One told the government to learn from the downfall of the Philippine president, Ferdinand Marcos. Traditionally, Chinese put up nosters if they wanted to draw must be reasserted, and the posters if they wanted to draw sooner the better.

The control of the posters of they wanted to draw attention to a wrong committed

since the 140.2 per cent increase in August 1974.

# HH H H H

Saturday January 3 1987

· MARKETS · FINANCE & THE FAMILY · PROPERTY · TRAVEL · MOTORING · DIVERSIONS · HOW TO SPEND IT · BOOKS FARTS · TV ·

# Back to the futures

THERE IS no future, says the logician, because until it happens it does not exist. The poet says: there are a zillion futures to the power of infinity. "You cannot fight against the future," was Gladstone's verdict. Longfellow said: "Trust no Future." Another fellow said: "The future isn't what it used to be."

It is a sign of the times that the most effervescent growth sector of the planet's economy is the forecasting business. From Whitehall to Wall Street, Wellington to the Kremlin, we are obsessed with "scenarios," with out-guessing the future. In a world of think-tanks and bureaucrats, brokers and pundits, extrapolation rules! In the TIS at wassent there is a crais, brokers and pundits, extrapolation rules! In the US at present there is a surging bull market in glass balls and quartz crystal. "It's hot stuff," says a curator at the American Museum of Natural History. "The healie feelies are making a great market in quartz, and mineral dealers are having a hard time traceing avanta apprenties in crock."

keeping quartz crystals in stock." In the spirit of New Year, let us polish our own crystal ball, and glance a little way ahead, to tomorrow and tomorrow and tomorrow. It will be a journey without maps, but one guided by experts:

As always, the short-term future looks excitingly bleak. In the view of Old Moore's Almanack, 1987 will be a "year of banana skins," and of world economic contraction. There will be crisis in May, contraction. There will be crisis in May, when Mars will be in opposition to Saturn and Uranus, "tearing down the structures of government and order in the third world." The EEC "could approach bankruptcy," but in Britain, where life is "less difficult," we will be celebrating festivals, and yet another royal romance. A UK mini-boom is likely, though mounting election fever could well go "unsatisfied."

Will any of us grow rich in 1987? I

Will any of us grow rich in 1987? I jolly well hope so, for the most tantalising prediction my researches have unearthed is the proposition that UK equity markets will light up the beavens for the whole of this year, because of a major conjunction between Saturn and Uranus. The prediction is that of Daniel Pallant, 52, a professional astrologer who studied physics and mathematics, and whose Surrey-based firm, Commodity Consultants, produces "planetary coeffi-cients" under the brand name Astro-

With the aid of computers he has probed the past, analysing all possible correlations between astrological factors and actions in the marketplace. "It sounds simple," he says, "but is desper-ately complicated. Having studied the correlations, we have established profiles of the markets in terms of the planets, sun and moon. In order to make predic-tions, we ask the computer to calculate a horoscope for the close of business on each working day. The computer then compares that horoscope with the stan-dard profile in the memory and gives it a score, which is graph-plottable. Trends in the Astrotrade coefficients therefor produce parallel trends in terms of forecast market prices."

Pallant emphasises that his Astrotrade coefficients are "probability curves, nothing else. What we detect are periods of bullishness or bearishness lasting from a couple of weeks to a matter of months, with a 75 to 80 per cent success probability."

His projection for the FT-SE 100 index for 1987 is spine-tingling stuff, for he is predicting nothing less than a year-long bull market—starting about now—that will sweep the "100" to around 2,500 by November 1987. In other words, says

We are obsessed with scenarios and bleak

extrapolation. But

the future is a

nice place to be, says

Michael

### Thompson-Noel

Pallant, this year's conjunction between Saturn and Uranus will help propel the index to a point 46 per cent above its all-time record of 1,717.6, set on April 3

When I blinked at Pallant, and asked if he was preaching pre-determination, he replied: "In a physical environment, it is inconceivable that even a tiny scrap of DNA shouldn't be related to much larger physical processes like planetary motions. We're cosmically sensitive, at least at the physical level. I take the view that there's less free will about our lives than people like to believe."

In most cases, astrological predictions blur into metaphysical mumbo-jumbo. If technicians like Pallant, whose results at least appear to be impressive, can be placed at one end of the alternative forecasting scale, at the other end is the investment consultant in Santa Monica, California, who specialises in the bullion markets by tapping an information source in the "Star Community of Brandon," which is reckoned to be several light years away.

What he beams to his clients in down-town Los Angeles is claimed to be akin to "any other investment letter they get in their offices." Watching everything closely are numerous big American multinationals that are studying all possible options. In New Mexico last July, representatives of major corporations met to discuss "how metaphysics, the occult, and Hindu mysticism might help executives compete in the marketplace." Of course, most forecasting is dismal,

A succinct recent caution was that uttered by John Allen Panlos, an American maths professor, who says that even though mathematics deals with certainties, its applications are only as good as the underlying assumptions, simplifications and estimations fed into them. " Any bit of nonsense, for example, can be computerised—astrology, bio-rhythms, certain items in the military budget-but that doesn't make the nonsense more valid. Statistical projections are invoked so thoughtlessly that it wouldn't be surprising to see some day that the projected waiting period for an

abortion is a year."

To put things frankly: is there any corroborative evidence to support Pallant's prediction of a runaway bull market in London this year? It depends in whom you read for in many cases. on whom you read, for in many cases the forecasters' print-outs are telling them radically different things, even though on balance the outlook for Britain in 1987 is probably favourable. In America, the forecasting profession seems in even deeper trouble than it is

in Britain, with predictions for 1987 conjuring up everything from slow but steady growth to deep recession and financial crisis.

Yet there are several common threads to current transatlantic forecasts, one of to current transallantic forecasts, one of them the notion that while small may be beautiful, big is back. At a prosaic level—that of management theory—there are signs that managers are refocusing their gaze on the virtues of corporate bigness. In short, forget about "excellence." Long live the oligopolies!

At a more exciting level, the idea that enormously large-scale engineering pro-

enormously large-scale engineering projects are due for a return to fashion may well become a fad. The notion is persuasively argued by Professor Frank P. Davidson of the Massachusetts Institute of Technology, one of the world's leading macro-engineers and a futurologist with 20:20 vision. 20:20 vision.

He maintains that if the US and its

He maintains that if the US and its trading partners are to rebuild their economies, it is time to "go macro." To an extent, he says, we are a jaded society. Unlike our Victorian ancestors, we are not greatly impressed by vast undertakings, even when they are dramatic and viable. We are surfeited with vicarious trips to the planets. "In such a world," he asks, "can there be sustained support for artificial islands at sea, for new guideway systems on at sea, for new guideway systems on land, even for the mining and develop ment of lunar resources?"

The answer is Yes! In Macro, Davidson discusses a spectrum of major construc-

tion projects that are technically feasible now, and argues that if mankind is to witness another doubling of the world's

witness another doubling of the world's population within a century, we must be prepared to plan and finance a host of such projects, if only to take care of the housing, feeding, and education of additional billions of people.

Mega-projects he discusses include a transatlantic tunnel (or tube, or tunnel-tube), built in relatively shallow waters between Ireland and Newfoundland, making rail travel a viable replacement for ship and air transport across the North Atlantic: macro-canals; a massive North Atlantic; macro-canals; a massive water system that throws a 100-mile dike across Hudson Bay and uses the Great Lakes as its reservoir; a Palestinian

Lakes as its reservoir; a Palestinian homeland built in international waters; space and moon stations, and a determined search for intelligent extraterrestrial life. (It must be there.)

The list is endless, the costs stupendous, although we should not regard the present era as unique in its dependence on large-scale technology, says the professor. Nor should we feel daunted by the large time-scales involved, because big engineering projects outlive the centuries.

Yet there will be more to the future

Yet there will be more to the future than macro-ionnages. There will be joy and laughter and trivial pursuits. And the robots will arrive—not as lumps of metal, but as our cybernetic friends. In July 20, 2019, Arthur C. Clarke, doyen of the future-gazers, recently provided a dazzling journey through the next 30 years. Fasten your seat-belts:

• Entertainment. The future will be fun, with the mass media catering to tastes not now served. Of all the arts, the cinema will change most radically. Film processes that Hollywood could adopt include Showscan, which floods adopt include Showscan, which houses the human central nervous system with powerful stimuli, and "autostereo" (glassless 3-D). Computer-graphic techniques will enable studios to recreate electronically the voices and physical appearances of great stars of the past,



so that new movies featuring Greta Garbo, John Wayne or Valentino seem probable. By 2019, personal computers will be fulfilling much of their original promise, while a useful TV gadget will substitute its owner's image for that of any human figure in any TV programme. As a result, ordinary people like you and me will read the evening news, star in Citizen Kane, and Troop the Colour.

Sport. Athletes of the future will employing a range of physical and men-tal abilities virtually unknown today. And they will have to be grown. Thanks to controlled drug programmes and diet manipulation, the average height of a

US professional basketball player in 2019 is expected to be 7ft 3in—about 6in greater than today. Some will exceed 8ft. And they will not be praying mantises. They will be perfectly sculpted, with muscle-clad limbs. By 2019, athletes will train not only in front of videotape cameras, to aid biomechanical analysis, but with mortable heart (ECG) and brain out with portable heart (ECG) and brain wave (EEG) monitors attached to their bodies. Across all sports, horizons will expand. Instead of the marathon there will be the 1,000-mile run, while cycling's Tour de France will become the Tour

• Sex. Because of Aids, and because sexual attitudes are believed to fluctuate in 20-year cycles, things look pretty bleak for the next two decades. Yet a sexual renaissance can well be expected by 2010, bolstered by neuro-science, electrostimulation, pharmacological breakthroughs, "erection pacemakers," and by male-female equality. With jobs, money and power, women will use their new-found collateral to attract younger men. One likely development: honeymoon hotels in orbit, offering zerogravity sex, perhaps on a commercial wing of NASA's permanent space station.

■ Robots. At present most robots are on a level with the insects. But they will not always be factory drones. By the 1990s they could be on a par with shrews and hummingbirds; by 2019, they will be undersea explorers, heavyconstruction workers, nuclear powerplant inspectors, cybernetic companions, and astronauts. Eventually, robots will replicate themselves. In the history of intelligent life, they may well be man's

I hope to greet many of these developments with mature equanimity. In 2019 I will be 74 years of age; in 2050, 105,

and in 2107, 162. In short, a stripling, still, though perhaps less callow, and certainly tarted up, what with many new organs, rejuvenation therapy, nerve regeneration, a semi-statyation diet to ward off decreptude, daily DNA cock-tails to boost intercellular vigor, plenty of antioxidants, and IQ enhancers—plus, I shouldn't wonder, a new limbic system,

cerebellum, cortex, and brain stem.
Whether there is one future, or a one of the best sentences I read lest year was penned by Roderick Mann of the Los Angeles Times, writing about Cary Grant. The late Grant; said Mann, thought young and kept busy and set off on lecture tours and went to the races and attended board meetings and took trips and told terrible jokes and always, always, looked forward to the morrow." Almost in that league was the declaration by Claire Booth Luce, the American octogenarian writer, who said she had read that scientists had isolated the enzyme that makes fireflies glow at night. "They are managing to get this enzyme into plants," she said, "so I refuse to die until I have seen a rose-garden aglow at midnight." In the best of all futures, everything is possible.

The Long View

# Time for a different kind of drama

WAS 1986 an exciting year, or a dull one? For headline-writers, it was undoubtedly exciting—the great bid wave, the subsequent scandals, the oil price collapse and partial re-covery, the collapse of the dol-lar, and of the US President. the banana skins and the sub-sequent Tory recovery. Oh. yes, and there was the Big Bang, which has so far made little noise out of earshot of this office.

For investors, however, it has been a pretty dull year; and so it has been for the British economy, and indeed for much of Europe. Everything has moved broadly sideways—except the UK balance of payments, which has, as expected, moved steadily into the red.
Efficient market theorists will have no difficulty at all in ex-

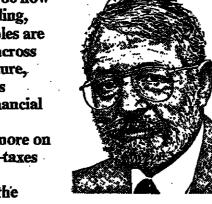
plaining this contrast: on the contrary, they are likely to go round looking smugger than ever. The point is simply that the main events of 1986 (except for the Reagan disaster) were broadly as forecast, and were discounted therefore advance in the markets.

This explanation is a good deal neater than the facts really warrant—the markets were as much stabilised by a nice balance of swings and roundabouts among the surprises as by good forecasting: but it contains a nugget of truth which every investor should remember. When you read that the consensus forecast is, say, for strong retail sales and a series of sterling crises. it is already too late to switch into consumer shares and foreign currencies. Current prices reflect the forecasts

already.
Here, then, are some more
personal guesses about 1987.
Arm They may prove right or wrong, Books but at least they are not built sadge into the present price structure. Select according to taste.

First, currencies - because, in the long run, they are a major

The great financial upheavals of 1986 now look like subsiding, though the ripples are still spreading across Europe. In future, **Anthony Harris** suggests, the financial markets will be concentrating more on the old basics-taxes and trade; and consumers, on the low-tech mainstream.



determinant of equity prices, ones. That is simply because Indeed, if you study equity falling exchange rates are good prices translated into a neutral for profits. currency over any reasonably long run of years, it is almost impossible to guess which mar-

more clearly and visibly. The past record was set up in spite kets belong to countries with of exchange controls and partly strong currencies and which sealed-off markets. In the much belong to countries with weak more international markets of reform will help manufacturing

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Finance and the Family: stock exchange demise Motoring: the Mitsubishi Shogun VIII Conservation: anglers v. swans How to spend less and stay stylish Arts: farewell to the National Gallery XIII XIV Sport: Australia's humiliation Sport Stock Markets London New York Paris 11[X 11.X Food XII

How To Spand

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XIV

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quickly to equate expected returns everywhere. Now for a let-down: after

that build-up. I have to add that it looks as if the exchange markets will be much less turbulent from now on; the major adjustments of the major currencies are more or less complete. However, that is not a consensus forecast. British interest rates especially still discount a major devaluation to come: and commentators on the dollar talk of a currency further weakened by falling interest rates.

If, then, as I believe, the dollar and sterling exchange rates already discount a weak current account in the UK, and falling interest rates in the US, then US equities and British gilts could do very well. That message is reinforced if you for profits.

In future, this rule will work tators do, that the British more clearly and visibly. The deficit will not be nearly as bad as the consensus expects, and as some US economists are now arguing, that the US tax

> However, the US tax reform is going to have far wider effects. When income tax in the world's biggest economy is simplified so as to produce a top rate of 28 per cent (or 33 allowing for some loss of deductions lower down) then the rest of the world is likely to take some notice. Apart from the possibility of a brain drain, or a mass migration of the retired, the propaganda effect is

In the long run tax reform on US lines is surely very desirable; it leads to sensible incentives. In the short, run, though, it can disrupt all sorts of prices, from low-yielding bonds to property prices in Jersey. There will probably (though not certainly) be well ver a year to think about this,

today, prices will move more but there will be a lot of home-quickly to equate expected work to do. Taxes in Japan and Germany are especially topsy-tury, and the drama may be seen there first.

The broad effects of tax reform have yet to be tested; but in a general way, the promise is of somewhat higher real incomes, lower interest rates, less financial churning and more selective spending on interest rates, and more selective spending on interest rates. investment goods, which bave to earn profits, not tax reliefs.

That is one reason to expect that demand will tend to switch away from some high tech toys -buy a computer today, puzzle out what to do with it later—and back to the old basic of food, clothing, shelter. Another reason is simply market saturation for some products. The electronics industry can hardly keep up with rapid growth on microwave ovens, CD players and car phones.

A year of healthy, low-tech growth, then? It is possible: but there is one major shadow over this happy prospect. The trade situation is beginning to look quite forbidding, as the news was already showing before 1986 was quite behind

The trouble is first, that the vested interests in the Common Market's absurd agricultural policy are so that it has so far been run almost without regard for those outside Europe. President Reagan, in an effort to reassert himself, and to restore Republican support in the US farm belt, will make a very determined attempt to change that. European leaders are at the moment in poor shape to respond—either running for election or beset by crises (or. in Ireland, both running and beset).

I'd still back common sense to win, and remain rather hopeful about 1987; but we could get some nasty protectionist scares before we know the answer.



# The 2,000 proves elusive as a volatile year ends

IT'S A long way to 2,000. Wall Street's pursuit of the elusive second Millennium is proving The S & P Index of DOU BLOCKS second Millennium is proving The S & P Index of DOU BLOCKS heavier going than was hoped rose only 14.62 per cent in absolute terms (18.57 per cent absolute te Average touched a record of or All-Stock indices of the 1,955.57 on December 2. With NYSE and the Amex by 13.98 Average touched a record of out any clear direction from the market, where falling yields have been the pre-eminent support for stocks for much of the year, 1986 fizzled out with the magic number no

Boxing Day was one of the dullest days in Wall Street's collective memory. Traders grumbled at having to man a earnings growth, turn out such market on the New York Stock a star performer? Exchange that saw a mere 49m shares change hands. Those unbeatable optimists who still expected a year-end rally this

### Wall Street

week were rewarded with three

However, turnover climbed meant lower returns on honds from 100m shares on Monday to and therefore, more structive 140m on Wednesday. It seems investors were squaring their year-end positions for their tax accountants or realising capital gains for taxation at lower 1986 and no shortest of investore rates. As traders left on Wednesday for the New Year cele-brations in Times Square (or. more probably, the country). the Dow was at 1895.95 with the broader market averages all down from their records earlier in the quarter.

Even so, traders can look back on a year where almost everything was bigger and better than in 1985: volume, voltality, stock price averages, villainy. The Dow Average, a measure of .30 stocks of widldly different capitalisation but equal weighting, rose 22.58 per cent in the

course of the year. On a basis of total return that is, capital appreciation and dividend income reinvested --the Dow offered US investors a first day of last year would profit of 27.25 per cent while have made precisely no money this lagged behind the 1985 return of 33.7 per cent, the Dow proved the best purely domestic portfolio investment after a lump of platinum, which belied its inert nature by handing investors a capital appreciation of confident enough about the tion. Standard and Poor says

HORIZON, Britain's

by New Zealand investor Ron

Brierley's steady accumulation

he the change of the year end;

City that the trading profit recovery trend is continuing.

announced at the interim stage that its full-year profits would

be below last year's £41.9m, and

analysts accordingly are expect-ing Thursday's figures to show

pre-tax profits of around £40m.

The setback has been caused by around £11m of redundancy

costs at Associated's national titles, the Mail and Mail on

Sunday, and at the London

move to Docklands. Energy profits are now heavily weighted

towards gas, and seasonal fac-

tors should mean a sharp decrease from the first-half

FT Ordinary Index

HIGHLIGHTS OF THE WEEK

y'day

1,320.2

ASSOCIATED NEWSPAPERS

mark passed.

However, the broader stock-market indices did much worse. The S & P Index of 500 stocks per cent and 6.96 per cent; and the Nasdaq, or over-the-counter market of smaller and newer stocks, 7.36 per cent.

This divergence is one of the more puzzling enigmas on Wall Street. Why on earth should an unrepresentative index, consisting largely of rust-belt industries with low or non-existen

There are all sorts of explanations for the good performance of blue chips. The chief among them is that this year's bull market in conities has had little to do with the capitalisation of earnings and a lot to do with discount rates and a dwindling sunaly of equity At the beginning of the year,

inflationary expectations col-Tanged with oil prices, and the days of drifting prices that left the Dow 34 points lower. meant lower returns on honds terf ant pl I's aunds - saffirna half with the New tonchine 1990 at the heginning of Inly It also meant chean money willing to hold the high wielding continual confliction (guillen se inn's handel Together these factors fitellad last moar's tro. mandang taleanger and rectane furing antimity (smouthting to come goetha in point accord. ing to Salamon Reathers)

> therefore wilnership how stocks rare institution the prime hone. finiaries of tabenner or share repurchases, including such Fridays ago, the market saw names as Union Carbide, USX, more volume traded in a minute Goodyear and Owens-Illinois. Even IBM bought back shares. The second reason is the

increased foreign (above all. Japanese) interest in US assets, including equities. While a Japanese or German investor who bought the Dow 30 on the in his home currency by last Wednesday, net foreign purchases of equities multiplied four-fold last year to about \$20bn, according to Salomon.

While yen investors seem yen/dollar rate to invest in corporate earnings rose just

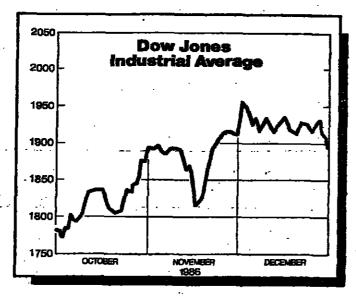
blocks, it seems that they con-tinue to favour the large and liquid stocks of the Dow as equity investments. Meanwhile, individual US investors, who have tended to buy the smaller and less heavyweight stocks, continue to be net sellers or buy into mutual funds that are increasingly prone to taking the soft option and investing to

The third reason is the in-The third reason is the in-creasing treatment of stocks as cash flow before reductions in

match the index.

11.2 per cent last year, or about half the 20-odd per cent rise Wall Street industry analysts had expected for the 500.

This year, the average fore-cast from industry analysts is 21 per cent, but economists and investment strategists are going for a more cautious 12.8 per cent-and they were right last year. Allen Sinai, of Shearson Lehmann, expects earnings growth of 9-10 per cent but warns that higher corporate tax



bonds, or even as commodities. to be traded in large blocks the moment a computer sniffs a The often large slow and price divergence between the stocks or such financial instruments as futures or options that are based on these stocks. Two than on the whole of Boxing Day because of the simul taneous expiry of various of these fancy instruments. evitably, this trading by the

> stocks kith large throw-weight. So, will the Dow make 2,000? Wall Street, talkin gits own book, says yes. Analysts have become rather shifty about their earnings projections, which may be knocked sideways by unpredictable effects of changes in corportee taxa-

megaton is concentrated in

personal tax rates start boosting

the economy.

As for merger activity, most people expect this to continue despite the cloud over the market for Junk bonds as a result of the Boesky affair. Further, the tax overhaul that came into force on New Year's Day made 1986 the (italix) year to bust up a large industrial corporation. It could be that the first quarter might be quiet. Many of the tax-driven deals of November and December may have been "borrowed" from 1987.

1912.12-18.28 TUESDAY 1968.61- 3.52 WEDNESDAY 1895.95-12.66 THURSDAY CLOSED FRIDAY

### THE ANALYST who drew a line down his page and wrote two scenarios for 1987 — one with and one without an elecbravery, but he stands to score heavily on nous. City folk packed up for the

Christmas break with two growing expectations: first, that the election would arrive fairly early in 1987; second, that Mrs Thatcher would be back for a third term. The market's progress during December was helped by both — the All-Share added some 25 points to take it just beyond the previous April's

high by the year-end. That optimism might prove well-founded. But more cautious market-watchers point out that there is no guarantee that political progress, or its timing, will be quite as smooth as the City wishes. To start with, the government faces two byelections in the New Year;
Greenwich, at least, where
Labour is defending a stime majority, is likely to be read as a general election bell-wether.

So, while recognising that fluctuating political fortunes may well prove the most immediate determinant on the market next year, shrewd investors are looking every bit as carefully at the underlying trends—corporate profits, price ratings, drains and flows on the market, and so on — for the coming year.

Most still find reasons for remaining bullish-at least, as far as the first six months are concerned. True, the economic outlook is a trifle mixed. Activity picked up in the second half of 1986 and GDP for the year overall is estimated to run out at around 2.25 per cent, rising to perhaps 3 per cent in 1987. That might bring a welcome — and politically opportune — fall in unemployment. Equally, though, there seems little doubt that inflation has now bottomed—its low was 2.4 per cent in August-and the weak pound, plus firming oil prices, are likely to push the rate back towards 4 to 5 per cent over the next 12 months. Earnings, by contrast, showed little deceleration in 1986; wage settlements in manufacturing industry averaged 5.5 per cent in the second half of 1986, according to CBI figures, compared with 6 per cent in the first. Given a similar trend in the New Year, the forecasters expect fairly buoyant consumer spending in the first six months, but a gradual cutback as higher inflation rates bite. For 1987 overall, the increase might run out at 3.5 to 4 per cent, against

perhaps 5 per cent in 1986. Those estimates, of course. assume that Chancellor Nigel Lawson will find room for some tax cuts in what will probably be an election-priming budget -and the level of cuts will James Buchan depend heavily on oil revenues.

ALL SHARE

the

at the end of the year.

1987," Seward says.

announced a 43 per cent increase in interim profits, to

Yet its shares have languished, falling by 19 per cent to 127p

"The shares have gone nowhere since the flotation but

Monotype is a high-tech busi-

ness in a growth industry and should really begin to move in

Miller and Santhouse, the fast-growing group of opticians, is the choice of Sarah Mellor from Capel-Cure Myers. The company, which has made the most of the new trend for fashionable spectages by build.

fashionable spectacles by build-

ing up a chain of units through-

out the north of England, came

to the USM in September through a placing by C-CM.

The shares went to an imme-

"This is a very promising

diate premium and have risen

steadily since, growing by 60 per cent to end the year at

company with high organic growth potential in an enor-mous marketplace." says Mellor. "We have already seen

good growth in the share price.

but it is the sort of high quality

business which could easily

justify an exceptionally high

Fund manager Brian Kirk-

stor, the Prudential, plumped

The performance of Bor-land's share price has been

rather pedestrian since the

flotation, rising by just 6 per cent to 132p, yet Kirkland is convinced there is lots of scope

There are 373 companies

168p.

rating."

company has

# City gets that election feeling

tumbling oil prices a mixed blessing in 1986, so any further strengthening in 1987 looks likely to bring both winners and losers.

On the interest rate front, the market ended 1986 uncertain if the October hike in base rates will prove quite enough to pro-tect sterling. But if a wobbly pound early in the year does push base rates higher, there is a widspread expectation that lower world interest rates and political considerations engineer a cut later on.

### London

So, where does that scenario leave company profits? Here, the bulls come into their own. Nineteen eighty-six saw industrial profits steam ahead by around 20 per cent-perhaps 14 per cent growth once oils and financials are added in. A good part of that was attributed to because of the lower oil price.

The margin boost from that source might not be quite so significant in 1987; but there will be a greater benefit to exporters from the lower pound against Continental currencies. and everyone should enjoy the general pick-up in growth rates. So, estimates for indusgrowth trial profits growth in 1987 range around the 12-14 per cent

Stores

1985

FT-ACTUARIES 900i 800 700

> mark; and recovery by oilsafter 1986's stock losses-could

17 early in May but sip back to around 14.6 by the year-end. to around 14.0 by the year-chu.

If raics of profits growth run
out as the forecasters expect,
the prospective p/e falls to
around 12.5. This certainly
makes London look less-thanoversitie on an international expensive on an international scale—or, as broker Phillips

and Drew puts it: "Rather invit-ing—assuming a not-unfavour-able election outturn." As far as calls on the market concerned, 1987 could see a are concerned, 1987 could see a slightly heavier privatisation programme. British Airways is due for take-off this month, raising around fibn. and British Gas shareholders will stump up their second payment in June—another fi.8hn.

If politics permit and the Roys-Royce and British Airports Authority floats go ahead, the total raised for the Government during the calendar year could top £1bn (and there is still the remaining BP stake). There are few worries about

institutional cash flow. Some solid dividend growth and healthy inflows of premium income suggest that this could edge towards £5bn a quarter. Kleinwort Grieveson, for one, predicts that the total sum devoted to UK equity investment during 1987 could reach £8bn compared with under £7bn in 1986—again, assuming that the opinion polls do not provoke a sudden outflow into overseas markets.

On a sector basis, one of the traditional beneficiaries of election fever and government pump-priming is building. Materials and contracting shares have already had a good run in 1986-up by \$4 and 28 per cent respectively. That performance has also been fuelled by some healthy profits figures and, not least, BTR's £1.2bn bid for Pilkington and the stake which Adelaide Steamship has been building up in Blue Circletwo of the more interesting situations to watch in the New

1986 sector performance list after tobaccos and overdone on fundamental printing and publishing. While grounds. Labour renationalisatake the overall figure to perhaps 16 per cent.

That makes existing market
ratings look quite reasonable.

Nineteen eighty-six saw the

nineteen eighty-six saw the

The difficult to see the could be an interesting gamble.

Nile To the casy takenineteen eighty-six saw the

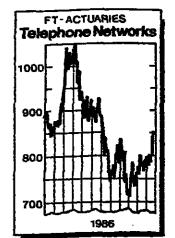
Nile To the casy takenineteen eighty-six saw the

Nile To the casy takeprice earnings ratio on the over stocks have been taken out.

and many analysts reckon the best hopes rest in the cyclical zero-pace industry. A high level of civil orders would not only bring beneats to the likes of British Aruspace but also to components and equipment suppliers such as Smiths Industries. In terms of consumer stocks

the stores sector, after a drab 1986, enjoyed a year-end fillip on signs of renewed consumer on signs of redewed consumer enending and news that the January sales—now hat on the heels of Christmas—were off to a good start. That optimism looks likely to spull into 1987 and will certainly be helped by pre-Budget tax-cutting hopes. Another boost—this time to from the early sale of Safeway's UK operations, with Tesco and Argyll reckoned to be the most likely bidders.

But if rising inflation does dig into consumers' real incom



and Britain's credit boom shows any sign of slackening, buth sectors could wane in the second half. One company where there will be pressure to perform, though, is Boots following its rmough, is boots following its controversial acquisition of Flint in the US, and the rumoured Hanson stake-build-

More cheerful is the outlook for the electronic and electrical sector. After it had carried the wooden spoon in 1985, and fared little better in 1986 there is a growing conviction that the worst could be over and companies are now sufficiently slim-line for any modest boost in demand to show through to the bottom-

Another sector that blossomed in 1985 and now looks election. There is many an analyst ready to swear that the Metals and metal forming, with fall in the British Telecom 42.5 per cent made third place price — one of the worst performers in 1986 — has been

### thirdlargest package holiday group, could well surprise the City with its preliminary results for the 11 months to October due to be announced on Wednesday. Expectations range from break-even to £1.5m, which compares with a protect less compares with a pre-tax loss November 1985. However, a strong marketing programme and a management invigorated

of shares (he now holds 17.6 per cent) could well see the £2m The problems will offset an improvement in trading profits at the provincial newspapers and a lower trading loss at the Mail on Sunday. Profits from magazines, which include the 13-30 group, Esquire and Euro-money, should also be higher. This suggests a very strong June-to-October second half, given the opening period's trading loss of £7.3m. Aiding the recovery in the figures will

which pushes the usually loss-BODY SHOP'S growth record, making November forward into and its share price, have defied gravity for so long that the main question mark hovering With its share of the critical summer market now restored to over the company is how much 8 per cent from a depressed 6 per cent in 1985, and early longer it can sustain this rate of growth. bookings for next summer exceeding expectations, Horizon will be keen to convince the

### Results due next week

Preliminary results, due on Wednesday, should suspend dis-belief for a little longer, at least, by unveiling an 81 per cent surge in pre-tax profits to

Yet, Body Shop's margins are expected to have suffered in the past financial year from the dual problem posed by the cost Evening Standard, as they pre-pare for their long-awaited of establishing a new ware-house in the UK and of its active expansion overseas.
In the domestic market, the

pace of new store openings is slowing. But new product lines introduced since the year-end,

Change 1986-87 1986-87

+19.0 1.425.9 1.094.3 Optimism for New Year

on week high

such as Colourings and the men's range, are faring well as are the new overseas markets, specifically in Australia and Canada.

STOREYS, plastics sheeting company, succeeded in its £29m bid for RFD deal through which Wardle sold certain RFD divisions to Scapa, drafted in by RFD as a white knight, for £15m. Wardle retained RFD's parachute and rubber dinghy-manufacturing

The group's results for the year to August 31 due on Thursday, are expected to show pre-tax profits of around £5.5m. The core business is expected to have benefited from a good performance by Dedpan in the US and from improved margins

in Europe. The group's managing director. Brian Taylor, is hoping to turn Wardle into an industrial holding company, and analysts will be looking for news of the group's cash surplus and for announcements about acquisi-

ABBEY, the Irish construction company, is due to announce interim profit figures on Thursday. Analysts expect around 1£3.75m (£3.56m), reaching perhaps 1£8.5m (£8.1m), for the year.

tion plans.

Forecasts reflect the strength of Abbey's house-building interests, which contributed 82 per cent of the company's profit last year and are based entirely in the south-east of England. House sales are expected to grow from 762 to 800 in 1986-87 and Abbey should benefit from rising house prices. Analysts are also looking for a possible acquisition in the building sector. The plant hire arm

# Alice Rawsthorn gets some inside views on

FORECASTING the fortunes of

The FT asked some of the research analysts and fund managers who follow the fortunes of the USM to take a deep breath and cite their choices for the most exciting new issue of 1986, and the most

Given that the new issue market was so active in 1986-when 92 new companies, capitalised collectively at more than £16n, joined the USM—it is scarcely

Roger Hardman of James Capel chose Interlink Express, the overnight parcel delivery service which became the 500th company to join the junior market in a heavily over-subscribed issue in October. Its shares

### USM UNLISTED SECURITIES MARKET

Interlink's flotation attracted a great deal of attention: partly because of the rags-to-riches tale of founder Richard Gabriel who, five years before the flotation, roared around the streets of central London as a motorcycle messenger and has turned Interlink into a £30m business; and partly because of the company's chequered history, which included the collapse of an earlier messenger service and a fire at

grow and grow."

Bill Seward of Phillips & Corporation, the high-tech printing company which his firm brought to the market in

# When small is profitable the old and the new DATASTREAM **USM Index**

16-01

small companies is notoriously difficult. Yet, as fortunate investors who chanced their luck with such whizzy stocks as Blue Arrow and Body Shop, which began life on the USM, can testify, small company investment can be very lucrative indeed.

promising junior market stocks for 1987.

surprising that each analyst plumped for a different company.

have since risen by 13 per cent to 200p.

its (uninsured) headquarters.

Hardman is unperturbed, though. "Interlink is a classic small company, and a classic USM growth stock," he says.

"So, Richard Gabriel muddled in his... VAT returns and land, who is responsible for his VAT returns and small company investment at blundered over the insurance. So what? The company has a great growth record and its the USM's largest single infor Borland International, the US microcomputer software potential is enormous. It could publisher which went public in June.

Drew opted for the Monotype

Monotype came to the USM as a recovery stock, which had convinced there is lots of scope hauled itself out of trouble in the late 1970s by diversifying into new high-tech areas of within a high growth market." printing in order to take advan-tage of the revolution in news-look very good." paper production. Since going

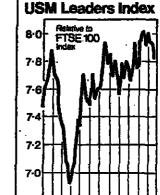
### quoted on the USM. valuing the market at £4.76bn. And again, each analyst picked a different company for the " most

Hardman chose Stainless Metalcraft, the precision equip-ment and components manufacturer. It stumbled into a series of problems after its flotation in 1983 and watched both profits and its share price fall in response. The company has since staged a recovery and recently unveiled a 73 per cent surge in profits to £1.04m.

"This is a niche company in an exciting industry," he says. "There is lots of new business coming in and the management looks good. It could well be one of the most exciting stocks of .1987.

announced a 43 per cent Drew opted for the KLP Group, fast-growing industry and its increase in interim profits, to the sales promotion consultancy shares are now undervalued £413,000, and an acquisition. and a P & D client. Its shares compared with its counterparts." continued to suffer in 1986 from a long-running legal wrangle with Asda, one of its largest clients, but the company has, nonetheless, sustained healthy

" KLP's share price has never



DATASTREAM

Mark Shepherd of Phillips & this is a good company in a Capel-Cure Myers' Simon oodfellow plumped for Goodfellow Trilion, he television and video production house and a client of CCM, which has re-

1986

recent acquisiion, has a good core business. "There is lots of growtl potential in the industry with all the developments in dependent production and the new media. Trilion also has a hidden treasure trove in the Limehouse building, which i situated in the middle of the proposed site for Canar Kirkland of the Prudentia

shares were issued for acquisi

the signs are that the manage-

ment will now concentrate on

The problems of Limehouse

Studios have already been re-

solved and Viewplan, another

ligesting these acousity

tion," says Goodfellow.

has made a self-confesser speculative choice in Sunleigh Electronics. which stumbled into trouble in 1984 when it defence business suffered, bu has since been restructured leaving FKI Electricals with and substantial shareholding.

"The FKI management tean has done a wonderful job with its own company and its in cently embarked upon an fluence on Sunleigh should b active acquisition programme. substantial," he says. "Th

really recovered from the dispute with Asda," he says. "But back in 1986 because so many grow in 1987."

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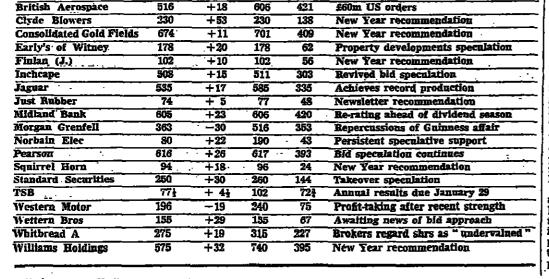
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### METALS MARKET TRADERS' HOPES AND FEARS FOR 1987 (analysts' forecasts)

	1987 forecast average	1987 range of forecasts	1986 average	1987 average forecast	1987 range of forecasts	1986 average
Aluminium Copper Lead Nickel	53.2 63.4 20.7 171 25.8	US cents/lb 50-57 60-69 18-25 160-180 34-37-3	51.2 62.3 18.4 .176 34.2	861 1,013 329 2,725 586	- £/tonne - 815-900 980-1,062 305-380 2,460-2,987 535-510	792 955 273 2,697 518
Gold Silver Platinum \$/£ rate	411 5.52 564 1.40	per troy onne 350-450 4.50-6.50 450-630 1.25-1.48	368 5.46 465			

LONDON traders and re-scarchers have gazed into 1987 to see what the year holds for metals prices. Not surprisingly, they differ greatly in what they believe might happen.

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In an informal FT poli, a number of traders and researchers were brave enough to put their names to predictions for average metal prices for the next 12 months (which are summarised in the table). Most of the forecasters expect base metal prices to be modestly higher on average in 1987 than they were last year. But they do not necessarily see much improvement from present levels.

The gold prices is expected to average \$411 an ounce, a considerable increase on last year's \$363 but only slightly above the present \$390 an ounce. Platinum, which soared last year could slip back, according to the forecasters. But this consensus conceals a wide range of opinion—the range for average prices is \$450 to \$630 an ounce, with the possibility that this volatile metal could periodically trade well outside the range.

Among the most bullish analysts is Anthony Hodges, of LME trader Rudolf Wolff, who argues that the charts of metal prices indicate that a recovery metals, led by gold, has already started.

The underlying trigger for a rise in prices would be a resurg-

A FINANCIAL TIMES SURVEY The Financial Times prosposes to publish a CONFERENCE AND EXHIBITION SURVEY on January 13, 1987

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# Metals on their mettle

ance of expectations of higher inflation, says Hodges.

Metals and Minerals Research
Services, a research company, also argues strongly in favour of of a recovery in base metals make our London traders' views prices. It says metal stocks have declined for three or four years in succession. "Prices must respond. I think we are due for a recovery this year," says MMRS's Graham Dellar.

Stefan Wagstyl finds that researchers and traders have very different ideas about the prospects for prices this year

MMRS is particularly enthusibelieving that the outlook for consumption of this light indus-trial metal is better than that trial metal is better than that moved largely by specific for metals which depend more factors—crisis in South Africa losely on demand from heavy

industry

At the other end of the fore-Lehman Brothers, which sees little reason for a recovery in base metal prices. The company warns that lead and inc, the two metals which performed strongly in 1986, did so primarily as a result of strikes in Australia and Canada.

Writing in Shearson's newsletter, Neil Buxton says: "Unless there are some unforessen disruptions, such as strikes or technial problems, then prices are likely to remain depressed or, in the case of lead, fall back

from current levels . . . at the moment, the supply of base metals continues to grow and, as a consequence, prices are

Metalleeselischaft Lid, the London trading arm of the West German metals group, is also bearish, predicting a price of just under 50 cents a pound for aluminium and a little over for aluminium and a most 60 cents for copper. However, director. Mike managing director, Mike Hutchinson says all such forecasts should be taken with a pinch of salt because they are "usually very expensive and very inacurate. But in the spirit Christmas/New Year we

available." Average prices are of most interest to producers and their customers, not to mention their shareholders. However, direct investors in the metal markets are often more interested in short-term price movements which give the opportunity for quick profits, both in a rising and a falling market.

David Williamson, Shearson, points out that in 1986 metals divided into two groups "the lively and the dead." "the lively and the dead."
Platinum prices changed by 80
per cent, zinc 51 per cent, and
lead and gold 38 per cent each.
By contrast, aluminium moved just 14 per cent, copper 19 per astic about aluminium prices, cent, nickel 24 per cent, and silver 26 per cent. The volatile prices were

in the case of the precious metals, and labour troubles in the caseof lead and zinc. Some casters' spectrum is Shearson brokers believe the element of surprise could once again be important in 1987, particularly in base metals. This is because news of supply-side difficulties, which might have left con-sumers unmoved when stocks were high, assumes a greater urgency when stocks have been cut back as they have been.

The moral is that even if the general outlook is subdued, the chances are that there will be good investment opportunities in metals in 1987. The difficulty lies in spotting them.

# Out with a whimper

THE FRENCH stock market managed a small rise for the last day of December, but it was more of a whimper than the bang with which it began 1986. Struggling into central Paris against the wave of train and underground strikes has jaundiced the outlook of many stock-brokers, and the last two weeks have seen a sharp recoil from the record of 4143 reached by

the CAC index on December 15. The prospect of social unrest shaking the Government in its policies, coupled with renewed upward pressure on interest rates, has unnerved both domestic and foreign investors.

The Bank of France last week had to raise its seven-day repurchase rate for money market assistance to 8.25 per cent in a bid to fend off another assault on the franc. The currency has not yet escaped from the ambuscade. And President Reagan's poisoned Christmas gift of a 200 per cent tax on various food imports from the EEC provoked selling of affected companies such as cognac producers Martell and

Moet Hennessy. Even with this fall, the CAC are available, turnover totalled FFr 165.3bn, more than twice index still ends 1986 at 397.8. as high. more than 50 per cent higher

han a year ago.

an augury, then 1987 is likely
Parls brokers are now recall- to see further strides made in ing the prediction last January the size and activity of the of their UK colleague James Capel that the index would top 400 within the year. It seemed market. The glass and packaging group led the French Government's privatisation programme to a triumphant start a bold forecast at the time, but it was fulfilled before the end last month, and hopes are high of April. The territory has a for the companies due to follow familiar look to it, however, it to the market in 1987.

The index reached the heights Offered at FFr 310 a sh

Offered at FFr 310 a share, above 410 twice before in 1986, St Gobain was 14 times overin May and September, only to subscribed. Even employees' fall back sharply on each applications had to be scaled down, while the French institutions and overseas investors were left hungry for stock. Paribas, the merchant bank

which is next on the privatisation list, is due to be floated The Paris bourse as a whole, in two weeks. Bank executives however, is scarcely recognishave begun their roadshow able as the same market. It overseas; while in France the has managed the introduction banking networks are already of a form of continuous market reporting heavy demand for the preliminary prospectuses, for some stocks, and it has coped with the issue of before the price is published. The arrival of the privatised FFr 65bn of new capital, more companies is the great event of than three times as much as in 1987 for the bourse," said Xavier Dupont, syndic of the Turnover on the bourse

averaged FFr 73.6bn a month Paris Stock Exchange. in 1985. In November of 1986. Eunhoria over St Go Euphoria over St Gobain was the last month for which figures enough on its own to carry the stock market upwards during the first half of December. If St Gobain is anything of to the Stock Exchange floor on FFr 369, a premium of 19 per

CAC General 400 350 300

23, however, the December aftertaste turned a little sour. Faced by a glut of buyers and a dearth of sellers, government and bourse officials decided with the company to duck the problem of fixing a price and suspended the shares for the day.

The failure to fix a price re-awakened one of the oldest fears of the institutional investor in Paris, where lack of liquidity has often proved a handicap to the active trader.

cent to the offer price, the shares fell back to FFr 358.20. The outlook still remains favourable from the point of view of many observers and participants and chief executives of industrial companies are confident. A survey con-ducted by the magazine L'Usine Nouvelle shows 49.5 per crnt expect to improve their companies' results in 1987 and a further 354 per cent anticipate

doing as well as in 1986.

George Graham

### **Retiring Mining Editor** Kenneth Marston leaves with some tips for '87

hop with his sudden materiansing trick. The last time I had seen him was just before Christing," said the mole with a years' time.

"Right 'oh! Let's start picking," said the mole with a years' time.

"Strewth!" cried the mole with a years' time. silly grin.

"Look, Moley, I've got to get on Doing my 1987 mining share recommendations." "Base metals might do better

this year," the mole said. "They might" "Still, I suppose gold shares are the best bet again."

"The thought had crossed my mind, Moley.", "Going for the issues?'

"Well, they're not in the same class as the South African golds - but they don't have Australian issues). the political risk element,

either.
"The Australians are also than the still a lot cheaper than the

# Chasing a Placer in the sun interest now that the Australian rising gold output from the Mining shares at around 254p other gold assets of Metals Ex

"BACK to normal next week," Federal Government has at last major Kidston and Big Bell have slipped a little in the said the mole, cheerfully. Once decided not to take away the mines in Australia, and the ratings.

again, he had caught me on the gold producers' tax-free Misima and Porgera projects in "But with the company's gold producers' status," I said.

desk among the plastic coffee and left the paste pot teetering cups and glue pot, wearing a on the edge of the desk above an open drawer.

"Let's go for quality," I replied. "Elders Resources replied. Elders Resources "Ah Moley, now you've ticular fancy. I know the signs, served us well last year, so for brought me to my next recom." All right, then," I said, 1987 we'll pick another good calibre issue.

"Placer Pacific?" queried

big Placer Development. Last some Olympic Dam project in the old days.
summer, the parent company South Australia. "It's the Alan Bond group's made a public offer of 21.4 per be easily traded (unlike some

Western Mining seems likely to off the desk.

mendation. A lot of folk still think of Western Mining as a wife's bingo money." nickel producer, which it is.

rising gold production the big institutional investors could soon show more interest, particularly if there is even a slight lifting of the clouds over base metal prices."

Moley nodded agreement, but beat it." Two more cups rolled I could tell that he was itching on the desk.

I could tell that he was itching to spring on me his own par
"Meanwhile, Metals E "let's have the one for the

"Might make 'er a few bob, Moley.

They forget that the company Guy," he said in an excruciating is also a major miner of gold accent that would have displacer Pacific is the Australian gold subsidiary of Canada's 51 per cent stake in the awe- at Finsbury Park Empire in

"British Petroleum holds the gold company, Metals Exploracent of Placer Pacific, or 128.6m other 49 per cent of this tion." added the excited shares, which means they can venture, which could eventually animal. More cups bit the be a world-beater in sheer size dust and a telephone receiver Australian issues). and which has a huge potential left its moorings. "The one wot The offer price was A\$1 per in copper and uranium, as well took over Hampton Gold Mining share and they are now stand-ing at around A\$2.87 (about century.

as gold. stretching into the next Areas last year. This brought century.

a 75 per cent stake in 102p), but could wel lattract "After having been over-Hampton Australia which has century.

a 75 per cent stake in
"After having been over- Hampton Australia which has

They include a 32.7 per cent holding in the gold-producing North Kalgurii Mines.

"My guess," continued the ole, "is that Bondie intends to build up Metals Ex into a major Austrahan gold concern. He tried to buy full control of the company last year but that didn't work and he might have

"Meanwhile, Metals Ex has made a two-for-one rights issue which has dampened the share price to about 38p. But." concluded the mole, " maybe not for long."

That said, he jumped off my desk. So did the paste pot. Glutinous gunge globbled out into the drawer beneath, oozing among ball-point pens, pencil stubs, paper clips, a pair of blunt scissors and other fluffcovered detritus.

They won't be making desks like mine any more, I thought, as I surveyed the debris.
"Moley," I said, "I think it's time to go."

"Come on, then, Ken," he replied. Hand in paw we tiptoed away

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### FINANCE & THE FAMILY

# Baltic bounces back

to restors its fortunes, under a new management team led by Peter Jeffreys.

Most of the group's existing nine unit trusts remain on a bid basis, clouded by a dismal performance record. But Mr Jeffreys says the corner has been turned, the flow of re-

One gaping hole was the lack of a European fund, which is being rectified with the Baltic of charge. A charge of £1 will European Trust. Unfortunately also be imposed for cashing the group's special advantage in sterling travellers cheques, the Scandinavian markets, except for those drawn on through its parent Nevi Group, NatWest Bank.

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32nd issue‡

is overshadowed at present with these markets performing worst of all. Other European exchanges, however, particularly France, are tipped to do well in 1987 and Norway would benefit from a sustained rise in the price of oil.

Baltic's other new fund, the American Extra Income Trust, does not fill any obvious gap. Rather it attempts to capitalise THE INTRODUCTION of two new funds marks the next stage longer concentrate solely on to restors its fortunes, under a

Both trusts are available at a fixed price of 50p a unit until January 20, with a discount of 1.5 per cent in the form of extra units during that period. Minimum investment in each trust is £500.

demptions stemmed and he now NATIONAL WESTMINSTER is feels confident enough to raising to £1 the charge for launch new funds to fill gaps in cashing personal cheques drawn on banks outside the group. except for Bank of Scotland cheques which will remain free

rate %

5.00

7.70 7.50

6.00

7.75 8.00 8.25 8.50 8.75 9.00

11.75 12.25 8.75 8.84

7.29 8.22

10.55 8.20

7.93 7:71

7.75 8.00 8.25 8.50

8.34 9.27 8.75 8.84

8.26 7.54 8.54

7.87 7.55 7.29 7.37 7.17



The higher charges only bring it into line with its main competitors, says the bank.

is the first company to launch a Swiss Equities Trust.

John Gordon, Providence managing director, said that so far it has been difficult for private investors to deal in the Swiss markets because of their structure, rules and regulations. But there was a definite demand for this traditionally safe haven for funds. In 1986 Switzerland was one of the ing instant access, in poorest performing markets, mum investment of but he felt it would be one of on its Capital the front runners this year, Account offering a with the strength of the Swiss rate of 9 per cent.

quarterly quarterly

yearly yearly yearly

yearly half yearly half yearly

yearly monthly not applicable not applicable

half yearly

half yearly

half yearly

(see notes)

2.500 minimum

1-250,000

500 minimum

5.000 minimum

500-24,999 25,000 minin

5-100,000

2,000-100,000 25-5,000

2.500 minima

10,000 minimum

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

60%

2.88 4.46 4.34

3.43 4.37 4.51 4.65 4.79 5.04 5.18

5.22 8.75 8.84

4.72

4.33 6.30 6.49

45%

3.96 6.14

6.00 6.20 6.39 6.58 6.93 7.13

7.18 8.75 8.84

6.40 5.84 6.61

6.24 5.89 6.78 6.92 7.11

Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

·: 5.97

Franc giving added appeal.

The launch period for the trust opens today (Saturday) with a fixed offer price of 50p a unit and a 1.5 per cent discount on applications received by

January 27.

Bucking the trend towards more general funds. Providence also recently introduced (on December 27) another specialrust. It is available at a fixed price of 50p, with a special 1 per cent discount, until January 20.

A HIGH INTEREST rate, and instant access, are being offered by the West Bromwich Building FIRST of its kind is always a Society. It is now paying 9.3 dangerous claim to make. But per cent net (against 9 per Providence Capitol believes it cent previously) on its Premium cent previously) on its Premium Share Plus accounts. But the increased to £20,000 to achieve the top interest rate.

Although some societies are paying a higher interest rate, you normally have to give at least 90 days notice of withdrawal and sometimes a lot longer.

City of London is also offer-ing instant access, with a mini-mum investment of only £2,500, on its Capital City Gold Account offering a net interest

Withdrawals (days)

90 90

Looking forward to a prosperous New Year . . . .



David Glasgow

Dylan Evans

Trevor Pullen

Richard Bernays

# Europe still City favourite

After the boom of 1986 John Edwards talks to fund managers about . the prospects for various equity markets throughout 1987.

IT WAS pretty difficult to lose money on any of the worlds stock markets last year, especially if you were a ster-ling investor. Most markets showed substantial gains in local currency terms, and even more so when converted into

In Europe, Spain was the star performer, with a sterling gain of over 134 per cent and France did very well for investors too. Against that the UK rise of 21.2 per cent looked very modest, while the Swiss, Dutch and West German markets were only boosted by the strength of their currencies and the Scan-dinavian countries were amongst the few to move actually lower.

Japan was another star market, recording a rise of over 85 per cent in sterling terms. but Australia, Hong Kong and Singapore also moved up

strongly.

Big disappointments of the year were the US and West Germany, which the pundits last January had tipped to do well. In the event they were amongst the worst performers, and well below the world average.

So what are the pundits predicting for 1987? The con-sensus (a not unbiased view from fund managers) is that the big increases in 1986.

It is also generally agreed that the UK market this year will be dominated by politics -whether or not there will be an election and whether the Tories will win again. It is thought the forthcoming There are mixed views, however, on the outlook for the mic growth rate potential above rest of the world. Europe is average. In Europe it was a question ticular the French market is of picking the right market, and

election will come sooner time that the Japanese market rather than later, but that prices could be volatile as the Although the US market was

pean markets during the whole year, but the US was likely to come right at a later stage when the impact of the dollar devaluation finally comes through in economic terms. Japan may be "interesting" early in the year, massaged to boost support for the privatisation of the Japanese equivalent of British Telecom. But in the

obtain solid returns from Euro-

longer term most of the good news was already in the mar-

Chris Burrows of Henderson also favours European markets, particularly France and Spain. The French market, he says, is benefiting from the "cult of the equity," ad Spain still has a way to go in catching up as a new member of the EEC. The US market could be very

good, he believes, but with a higher risk, while he is cautious about Japan. He is bullish about Hong Kong, but it is "not for widows or

Trevor Pullen of the Pru-dential is another European ground supporter. With European prices. Monetary System (EMS) currencies the strongest, Europe "must be the favourite. "In spite of comparatively poor per-formance in 1986, he is sticking with Germany, Holland and

Switzerland as the best bets. He too is cautious about Japan, suggests Hong Kong could be volatile, and is "indifferent" to the US.
On the UK he says the econo-

mic background should bring higher prices, and if the Con-servatives were thought likely to win an election the market would go higher still. But the fear of a slowdown in 1988 could be a depressing in-fluence in the latter part of

Paddy Lineker of M and G. thought the forthcoming Paddy Lineker of M and G. Greenwich by-election could reckons that the UK market pointer as to whether there will vestors, probably better than be a general election this year. most. Its current rating was below average and the econo-

tipped to move higher, boosted that depended on the skill of by the privatisation programme the fund manager. He cannot but forecasts for the US and get enthusiastic about Japan Japanese markets differ widely, with earnings under pressure Richard Bernays of Mercury and high p/e ratios, but he ad-fund Managers believes a UK mits it wouldn't be the first

market tries to anticipate the statistically sound, he is wary likely result. He feels perform of it and worried about the ance in the first half will be fundamentals. In case the dol-better than in the second. lar had "another fit of the better than in the second. lar had "another fit of the He also predicts some vola-tile movements in other stock per cent of your portfolio in

markets. On balance he favours gold which might turn out to be the joker in the pack.

Sterling investors are likely to Richard Williams of Hill Richard Williams of Hill Samuel on the other hand thinks the US will be boosted by a pick up in economic growth that will bring a good rise in company profits. In Europe he favours the hard currency countries (France, Germany

for this year. Europe is still the best bet, he believes, with France looking particularly attractive. The is his next preference, although there is more risk especially during the first quarer of the year. He is even more uneasy about Japan after the big rise in 1986. It seems distinctly overpriced, but may be underpinned by large sums of cash held by the institutions there. He is keener on the other Far Eastern markets.

With the UK market already possible Tory election victory. there could be some risk even though the economic background should bring a rise in

Dylan Evans of Target is a strong supporter of the UK market, which he says is technically sound with a rise of 15 per cent

tion forecasts, so he would stick to income rather than capital growth stocks.

For the first six months of 1987 he would go into Europe to make the most of the currency advantage. He is positive on France, with the priand Switzerland).

David Glasgow of Abbey Life admits he was wrong on Germany and Japan last year, but hasn't changed his view much for this week. With the privatisation programme brought forward, but feels you can no longer just follow the American institutions into blue chip companies and will have to be more diligent.

says you have to look with Japanese eyes and brokers there are bullish about 1987. The market is awash with liquidity and the government were stimulating domestic growth. He is cautious about the US but would buy on weakness.

Peter Chappell of stock-brokers Sheppards, says the UK market will be almost entirely political in 1987. But takeovers, and more money from overseas, would keep the mardiscounting to some extent a ket bourant as it was still cheap.

He is happy to stay in the US market, but will move from consumer company stocks into evelical industries. In Japan it would be selected stocks only. and in Canada natural resource companies and in Australia those with a gold element. In in corporate profits forecast and Europe there would be buyers prices 5-10 per cent under- on any setbacks in the French valued. However the market market, while there was still was likely to be jumpy on elec"something to go for" in Spain.

### equities will still be worth going for in 1987 in spite of EPERSORAL EDUCTY PLANS

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High	Low	Company	Price CI	hanzo	div (p)		P/E
146	118	Ass. Brit. Ind. Ordinary	133×d	_	73	5.5	8 1
151 .	121	Ass. Brit, Ind. CULS	743x.d	_	100	69	_
.46	28	Armitage and Rhodes	25	_	4.2	120	4.9
71	64	BBB Design Group (USM)	65	_	1.4	21	16.2
215	108	Bardon Hill Group	215xd	_	4.6	2.1	24.4
95	42	Bray Technologies	95		43	4 5	11.3
201	75	CCL Group Ordinary	130		2.9	2.2	9 2
152	86	CCL Group 11pc Canv. Pl	39×d		15.7	15 9	_
268	80	Carborundum Ordinary	268	<b>+</b> 1	9.1	34	12 9
94	83	Carborundum 7.5pc Pf	91×d	_	10.7	11.8	
32	20	Frederick Parker Group	225	_	_	-	
125	60	George Blair	91	-	38	4.2	2.3
97	20	Ind. Precision Castings	97		67	6.9	8.7
218	143	Isis Group	143		19.3	12.8	8.2
126	101	Jackson Group	124xd		6.1	4.9	8.4
377	228	James Burrough	3 <b>2</b> 3xd	-2	170	52	9.2
100	85	James Burrough Spc Pf	69		12.9	14.5	
1035	342	Multibouse NV (AmstSE)	720			_	37.7
380	260	Record Ridgway Ordinary	353		_	_	83
100	83	Record Ridgway 10pc Pf	83xd		14.1	17.0	
90	32	Robert Jenkins	88			_	3.9
42	28	Scruttons	42xd		_	_	
141	<b>86</b>	Torday and Carlisia	141		57	4.0	8.5
370	320	Trevien Holdings	324		79	2.4	5.7
79	25	Unilock Holdings (SE)	78		28	3.6	14.4
· 115	47	Waiter Alexander	115	-	5.0	43	11.0
226	190	W. S. Yeates	196		17.4	8.9	19 6
98	87	West Yorks, Ind, Hosp, (USM)	96	_	5.8	5.0	127

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# COMPARATIVE PERFORMANCE OF WORLD STOCK MARKETS IN 1986\* Percentage gain/loss in Local currency Sterling

	Local entiency	DISTING				
World (Morgan Stanley Capital Interna	ttional)	+41.0				
Australia	+44.7	+39.1				
Denmark	<b>-19.2</b>	<b>-3.8</b>				
France	+52.0	+74.4				
Holland	+7.3	+32.6				
Hong Kong	+42.2	+42.7				
Italy	+55.6	+90.4				
Japan	+50.1	+85.6				
Mexico	+250.0	· +72.0				
Norway	-10.1	<b>9.5</b>				
Singapore &	+47.2	+40.4				
Spain	+103.0	+134.7				
Switzerland	-3.3	+20.9				
UK	•	+21.2				
US (Standard & Poors composite)	+17.8	+18.2				
West Germany	+5.5	+31.1				
* Movement in prices from first trading day Jan to Dec 29.						

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### FINANCE & THE FAMILY

# Gilts carry a government health warning

THE WATCHWORD for inves- at Capel-Cure Myers, which acts

What else could it be when there will most likely be a general election in the course of next year and, of all the influences on financial markets, politics is probably the most unpredictable?

The timing of the next elec-tion is, of course, still unclear although we know that the Prime Minister has ordered her ministers to get themselves and the manifesto ready. The investor has to try to judge what could be vastly different outlooks before and after the poll.
John Buck, gilts analysts with
James Capel & Co, one of the

27 market makers in UK Government bonds, summed up the uncertainty of the situation: "If the Conservatives were to win the election, the gilt market would look exceptionally cheap. But anybody who was prepared to buy on that basis

BREAK-EVEN INFLATION RATES FOR FOUR MAJOR INDEX-LINKED GILTS 2% 2% 24% 1990 1996 2011 Tax-- 2% (pin£) 1988 6.7 4.5 (Provided by Capel-Cure Myers,

brave. The market could have a rough ride in the first quarter.'

Markets have already been reacting for some months to a clutch of national opinion polls gauging political support for cent, meaning that the stock is the three main parties and the good value unless inflation were Conservative party's lead in successive polls in the last few weeks of 1986 did something to steady sterling, and therefore the gilt market. the gilt market

In framing their forecasts for this year, many independent City economists have assumed a Conservative victory, swiftly
Managers, said the index-linked
followed by sterling's entry
into the European Monetary
than some conventional low-System's currency snake.

On this basis, it may be worth return than index-linked issues There is, however, the possibility that the opinion polls could start to turn in favour of the Labour party and then a switch into index-linked would provide a hedge against the higher inflation which could accompany any substantial re-flation of the economy and sterling jitters on foreign

exchange markets.

Political uncertainty is bound to make the market volatile in the run-up to the election and the timing of investment decisions is paramount. Mark Cliffe, chief economist

In addition it is giving a

scheme. The bank says existing unitholders would be well

advised to subscribe via its

scheme, rather than direct, up to the permissible limit of £35 a month (or £420 a year).

Under the Unit Trust plan

Under the Unit Trust plan you can choose either the Scottish Income Fund or the Standard Life UK Equity High Income Trust, paying the normal charges to the companies, plus an additional 0.75 per cent annual administration fee to the bank. This additional fee however, will be more than

fee, however, will be more than offset by the 2 per cent bonus of additional units given.

The bank is also offering two

discretionary equity plans. If you contribute between £40 to £140 a month (or a lump sum

between £1,000 and £1,680 a year) a quarter will be invested in three major companies. If you contribute £150 monthly

(£1.800) or more then the range

An annual management fee of 1 per cent will be charged. The

bank says that in the absence of

market for investors in the £20

to £40 a month range.

tors wondering whether to buy as an agent in the gilt-edged or sell UK Government bonds market, said index-linked stocks in 1987, and which ones, is cau- offer very good value now and could be even better value if the Conservatives won the election. Then inflationary expecta-tions would be lowered and prices on ultra-safe index-linked gilts would fall as investors ventured back into the higherreturn, more volatile conven-

tional market. However, the investor who feels confident in predicting swings in sentiment and acting on them swiftly could play a more adventurous game by stay-ing in higher-yielding conventional stocks on the strength of belief in a Conservative victory, only running for cover if the political outlook became more uncertain. Then the switch into index-linked would have to be done quickly before demand for safe haven stocks boosted

In the conventional sector, the usual rules of thumb apply. High rate tax payers should go for low coupon stocks such as the 5 per cent Treasury 1936/89, 54 per cent Funding 1987/91 or the 3 per cent Treasury 1991.

For lower rate and basic tax payers, high yielding stocks such as the 91 per cent Treasury Convertible stock 1989, or the 91 per cent Treasury 1988, look

In the index-linked sector, 2 per cent of 1988 and 2 per cent of 1996 look paricularly attracive while the 2 per cent of would have to be exceptionally 1990 looks expensive and could

be worth selling.
Mr Cliffe of Capel-Cure
Myers noted that even for investors in the high tax bracket the 1996 issue has a low break-even inflation rate of only 2 per cent over the next 10 years."

he commented. David Glasgow, Managing Director of Abbey Unit Trust

On this basis, it may be worth sticking with conventional gilts oil output by the Organisation which generally offer a better of Petroleum Exporting Countries than index-linked issues. The the balance of sterling and the balance of payments. There was a £1.03bn ade deficit in imports are still rushing in at an alarming rate.
It is probably worth remem-

bering that, even under a Conservative Government, many independent forecasters are looking for a rise in the inflation rate to nearly 5 per cent by the end of next year. Index-linked stocks could be the safest bet. whoever wins the election.

**New PEP contenders** 

BANK OF SCOTLAND has Commercial Union. The rest will other charges for participating be invested in blue chip shares in what the company describes and cash deposits.

Plan (PEP) battle with charges

Initial charge will be £10, with the charge of £6

agement levied at the end of

0.3125 per cent on the value of the funds held. The value of in-house unit trusts will not, how-

ever be subject to the percentage charges. Stockbrokers Sheppards has

an unusual feature in its PEP scheme in that if you contribute more than £1,200 a year you can

decide whether or not to include

unit or investment trusts in your plan. Otherwise the company

has complete discretion, al-though it is boped that once each year's plan matures you

will be able to make your own investment decisions.

Minimum investment is £50

monthly (or £600 lump sum).

There is an initial charge of

3 per cent, and an annual management fee of 0.75 per cent

in the first year rising to 1.5

per cent in subsequent years. Sheppards says it hopes to absorb the dealing costs and

claims that there will be no

claimed to be the cheapest a fee of 2.25 per cent on the available for some investors.

special 2 per cent bonus on the first year. In the second and standard Life or Scottish Unit subsequent years, there will be managers unit trust bought via a quarterly charge of £1, and the bank's unit trust PEP 0.3125 per cent on the value of

THE BROKERS' CHOICE FOR SANTA'S PORTFOLIO						
Hargreaves Lansdown	UK Holborn Small Cos	US TR Global Tech	Japan L & G Japan	Europe EBC Amro Dutch Growth	Worldwide Thornton Phillipines	
Berry Asset Management	Prolific Special Sits	TR Global Tech	Baring Eastern	GT Germany	Oppenheimer Worldwide Recovery	
Plan Invest	TR Special Opportunities	Equity & Law N. Am.	Fidelity Japan	Baring Europe	Henderson Hong Kong	
Premier	TR Special Opportunities	BG America	TR Japan Growth	M & G European	TR Special Opportunities	
Whitechurch Securities	Commercial Union UK Inc.	Standard Life N. Am.	Baltic Japan & Gen	PM European	Commercial Uplon World- wide Special	

# Ways with a windfall

IT IS not a widely known fact that Santa is a UK resident, although he makes frequent visits to Greenland to check up on his warehousing and distribution operation. He has just found a cheque for £10,000 waiting for him at the bottom of one chimney; and without stopping to find out whether it was a bribe or a thank-you present, he decided to invest it in unit trusts.

Since the money was a com-plete windfall, Santa thought he would take an aggressive growth line and spread his investments worldwide. Rudolph and the elves could advise only on the Scandinavian market, but with his contacts Santa was able to get some tips from the brokers. The table shows the result.

He asked five brokers for their favourite funds in the major world markets, plus one punt from whichever market they preferred. A striking feature was the widespread enthusiasm for Touche Remnant; three of its funds were named. Four out of the five brokers chose the group for at least one of their

The UK choices were mainly from among the special situations type of fund; two brokers opted for a revival in the fortunes of the technology market for a US choice; there was caution on Japan, with some holding off and some avoiding it altogether; Europe was widely supported, with single country funds finding some adherents; and the choice of funds "at will " ranged from ultra-specia-list Pacific Rim trusts to strongly growth-orientated international trusts.

Choice of funds was based. as you might expect, on market view as well as past fund performance, but it was interesting to see the degree to which brokers relied on the individual fund manager.

This was the case, for instance, with Hargreaves Lansdown's choice of Legal and General Japan, managed by Michelle Barber. For Europe, it saw Holland as " a small market with a lot of potential." The UK pick, Holborn Small Companies, can invest in the USM as well HL's punt choice was, perhaps, the most nerve-wracking - an offshore fund from Thornton investing in the Philippines.

Jamie Berry's choices laid emphasis on aggressive management style, a readiness to go liquid and to make significant changes in weighting, and a keenness for special situations. Like Hargreaves Lausdown, he went for a single country Europe fund, and for TR Global

setting up direct debit arrangements; you pay £20 for early withdrawal; and £10 if you want

to attend a company annual general meeting. Special feature of the Lamont

& Partners PEP scheme is the inclusion of a loanback facility.

You can borrow up to the full

value of your PEP plan (at 3

per cent above base rate) on payment of a £10 registration

fee, and keep your plan intact while possibly using the bor-rowed money for some short-term need like "stagging" a

Lamont is offering two share

schemes with self-explantory names — Blue Chip or Specula-

tive. At this stage Lamont does not intend to include unit trusts in the holdings, or take monthly

payments; only lump sum investments of £1,000 and above are accepted. The loanback facility is only available with the Blue Chip scheme.

There is an initial flat charge

of £50 per plan, equivalent to 2.08 per cent if the maximum of

£2,400 is invested. There is an

Janet Bush



Technology as a US market choice. would prefer to avoid Japan at present choosing instead Baring Eastern which invests in Pacific markets, especially Hong Kong. He is enthusiastic about the record of Martyn Page with Oppen-belmer Worldwide Recovery, which will readily move from 40 or 50 per cent in one area

to nothing. Peter Hayes of Plan Invest agrees with Berry that the recipe for success in the UK market over the next year will be decisive management and a search for special opportunities. Equity & Law is an insurance company having a good withprofits record, and he thinks its North American fund will "come quietly through the tables."

Baring's European fund rates a mention because he has been impressed with Baring's performance in other markets, because it is a "newish" fund, and because the group is "not as well known as others and has got it all to make." He will not buy Japan at all for a month or two but, when he does his vote will probably go to Fidelity

Michael Watt, Far Eastern guru at TR, is a "very clever fellow according to Premier's Peter Edwards, who scolls at others caution on the Japanese market Likewise, it is manager John Alexander who inspires the recommended investment in TR Special, which is "top of the Premier shortlist for the UK market."

Edwards takes a decidedly contrary view on Europe: "I am not sure we are all that interested, although you cannot not invest there." In the absence of a single country fund that he likes, his choice is for the "well established, proven" M & G Europe. Kean Seager at Whitechurch

Securities indulged his en-thusiasm for new funds. The background to his thinking is that non-UK funds will do well, aided by a potentially weaker pound. The funds he chose are all brand new, newish or, in the case of Baltic Japan & General, undergoing change. The Baltic trust is due to be taken over by newly appointed Japanese managers early in the New Year, with an expected boost to performance—which would please Santa.

JANUARY derives its name from the Roman god Janus, who was depicted as having two faces, one looking back into the past and the other forwards into the future. It seems an appropriate time, therefore, for a financial astrologer to see now accurate he has been in the past year and to predict the market trends of the next.

The "Astrotrade" graph with this article is the result of a computer study of the Financial Times Index from its inception in July 1935, analysing all the astrological factors which can be shown to have affected the market's action. The initial bull trend of the FTSE 100 Index was correctly predicted from the start of 1986 until

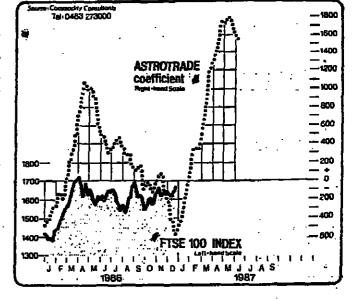
The actual top of the market occurred just before the Astrotrade coefficients turned bearish, but thereafter share. prices fell with the Astratrade arrah. Traders "shorting" the rood profits all the way down

After August 11 there was a zorous rally which coincided with the sideways movement in the Astrotrade graph, but the after September S. with some of the largest single day movements in the market's history, When the Astrotrade coeffici-

ents turned upwards after September 29, prices followed the graph tenaciously until November 19, but after that they parted company. The prediction was for important weakness during December, but the market moved sideways, not making any upward or downwards movement, until the Astrotrade graph moved up

after December 22. The chartist explanation for this action is that prices entered an area of suport, and although the astrology of the market was bearish, any major movement was precluded. The Astrotrade coefficients are calculated many months ahead, and therefore cannot take technical support or resistance into account.

The lack of weakness in December somehow anticipates christine Stopp the strength of the market into 1987, which promises to be very bullish indeed.



# **Investment for** star-gazers

A combination of astrological cates that January will be weak. influences indicates a very strong market. To name but two of the many there is the Saturn-Uranus conjunction in Saggitarius, and the Jupiter transit through Pisces and Aries.

The Astrotade graph goes up until May 11 and then moves sideways during the summer. Unlike 1986, when there was an important move down, the Stock Market is likely to remain strong but without any major shake out, and then move upwards again after the end of

Last year the Astrotrade coefficients reached about 1000 at the market's peak, but this year they go up to 2000 by year end. This seems to indicate that the FTSE 100 Index could reach 2500 without too much trouble. If this does is fact happen, 1987 will be a year to remember.

The chart for Wall St does not show the same potential strength as London, and indi-

When the bull market gets going in February it does not have the enthusiasm shown by the London chart. This might reflect the political uncertain-ties in the US and the unknown future effects of the insider dealing scandals. If only a small proportion of the huge mally invested in New York come to London, our market could very quickly race to the predicted levels.

It would seem unlikely that the Stock Market would show that much strength if a Labour government was elected into office. Perhaps it would be wise for Margaret Thatcher to choose an election date early in the year rather than later. and thereby take advantage of what appears to be a major tide of market optimism.

Daniel Pallant

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Europe, in terms of total return promises some of the most rewarding investment opportunities.

Henderson with probably London's most experienced European investment team, now offers its European Income Trust.

With falling inflation, European governments boosting local industry and, generally, a much broader participation in European stockmarkets by domestic and international investors, we believe now is the ideal time to consider an income orientated fund.

Henderson European Income Trust is invested to provide an estimated gross annual

income yield of 4.02% (29.12.86) plus an excellent expectation of capital growth.

This trust complements Henderson's existing European portfolio, from which the Henderson European Trust, measured over the last ten years comes first for performance in comparison to other European trusts. (Planned Savings 1.12.86.)

The experience that has produced this unrivalled record has determined the mix between high yielding equities, bonds and cash which will comprise the portfolio of this new Trust.

Minimum holding is £500 or £25 per month through the Henderson Investment Builder Account.

And of course, with no one better than Henderson to manage your European investment, there's no better time to start than the present.

ADDITIONAL INFORMATION

offer will be closed and units will be allocated at the price ruling on receipt of application.

Distribution of income will be paid on 31st March and 30th September, the first payment

being on 31st March 1987. The estimated gross annual yield is 4.02% (2-12.86)

Contract notes will be issued and unit certificates will be provided within eight weeks of payment. To sell units endorse your certificate and send it to the managers; payment

Unit Trusts are not subject to capital gains tax; moreover a unit holder will not pay this tax on a disposal of units unless his total realised gains from all sources in the tax year amount to more than \$6,500 (1986/7). Prices and yields can be found daily in the national

ed on the roling bid price will normally be made within seven working days.

Should the unit offer price move by more than 21/2% during the fixed price period the

# FIXED PRICE OFFER OF 51.3p PER

**UNIT UNTIL 9TH JANUARY 1987** 

We are making a fixed price offer of 51.3 pence per unit until 9th January 1987. After the fixed price offer closes, units may be bought at the current daily price.

You should remember that the price of units and the income from them can go down as well as up and you should regard any investment as long term.

To: Henderson Unit Trust Manageme Esser CMI3 IAAL/We wish to invest! Trust at the hard price of 51.3p per us Limited. If you wish to have net inco I/We wish to invest! and enclose a cheque for the first mont! Decalls on how to make subsequent separate cheques if you wish to invest 5.30pm on Friday January 9th 1987. Af Junt applicants most sign and attach.	fruinimum \$500 mit and enclose a chieque parablet per month (munimum \$25) in th a investment pay able to Hender payments will be sent to you o both a lump sum and a monthly mer the close of this offer units wit mer the close of this offer units wit	i) in the Henderson European I o Henderson Unit Trust Manage e Henderson European Incom yon Unit Trust Management Li n receipt of this compon. Pleas o the area of the content of the cont	e Trust imited. se send
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My Professional Adviser is	This offer is not available to	residents of the Republic of L	reland.
Hender	son European Inc		IN

# of shares is increased to a unit and investment trusts. per cent of the value of the minimum of five major com- There is however a series of investment, levied quarterly.

double charging for investing in annual administration fee of 1

a minimum charge (such as the 510 charged by Lloyds Bank) its charges are the cheapest on the Person and the Person charges are the cheapest on the person charges are the person government-sponsored Equity Plan (PEP) Personal will be used to ancourage em-ployees to buy shares in the company for which they work, under a scheme devised by Commercial Union has also joined the PEP fray. Its minimum investment is £35 a month management specialist Cock-man Consultants & Partners

mum investment is £35 a month (£1,000 for a lump sum) for a totally discretionary scheme. Initial monies will be put on deposit taking advantage of the tax-free concession to earn a very good return. (On current money market conditions the rate would be 9.74 per cent net, equivalent to 13.7 per cent for basic rate tax payers).

As and when the investment (CC & P). The idea is that an in-house PEP scheme would be formed by the company, with CC & P as fund manager. It would buy the company's shares at the ruling market price on behalf of employees, using money deducted from pay packets.

An attraction for the

As and when the investment managers decide, the legal maximum of your money, £420 employee would be that the with shares publicly quoted on charges involved, possibly subsidised by the company, would under existing PEP legislation. or 35 per cent of the total charges involved, possibly subthe higher, will be put in the the higher, will be put in the higher. Will be put in the higher will be far less than normal PEPs. A disadvantage is that, unlike

Invest as you earn profit. If the company shares fell in value, the employee's investment would decline.

Richard Cockman, chairman of CC & P, said the proposed corporate PEP schemes would provide an alternative for employees wishing to buy their company's shares in a tax-effi-cent, flexible manner without having to lock money away for

a long period. It would fit in very nicely with other employee share schemes, but would be possible only in the case of companies

John Edwards

An initial charge of 54% of the assets (equivalent of 5% of the issue price) is made by the managers and is included in the price of the tunns when issued. Out of the initial charge, managers pay remaneration to qualified intermediatics, rates available on request.

An angual charge of 1% (plus VAT) on the value of the Trust will be deducted from the gross income to cover administration costs, with a provision in the Trust Deed to increase this to a maximum of 2% on giving three months without notice to the unit holders.

Trustees: Midland Bank Trust Company Ltd., 11 Old Jewry, Lordon EC2R SDL.

Managers: Henderson Unit Trust Management Ltd., 26 Finsbury Square,

London EC2A 1DA. A member of the Unit Titust Association.

# HENDERSON. THE INVESTMENT MANAGERS.



Quiet where there once was bustle: the Stock Exchange floor

Terry Byland explains why Big Bang has left the Stock Exchange floor deserted

# The silent advance of the electronic age

bleak note for dealers on the London Stock Exchange trading floor, once the public face of the stock market. Despite large sums invested in modern technology, the floor is now a shadow of lite former calls.

This development has weak on offer. "My 10-year-old daughter could deal in this men to bundle the shares trader for the firm—putting to daughter could deal in this men to bundle the shares trader for the firm—putting to market," said one old hand, despairingly.

This development has weak on offer. "My 10-year-old small lots, left it to the floor would come the accolade of trader could deal in this men to bundle the shares trader for the firm—putting to daughter could deal in this men to bundle the shares trader for the firm—putting to despairingly.

Watching to the floor market," said one old hand, despairingly.

Watching to the floor market, and market rivals acquired since in the floor trader the archaeval.

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Watching to the floor market, and then picked up work all his knowledge of stocks and market, and market rivals acquired since in the floor trader the archaeval.

Watching to the floor market, and the floor market, and then picked up work all his knowledge of stocks and market, and market rivals acquired since in the floor trader the archaeval. hubbub, jostling and noise have

the death knell — will come ket, which occupies a corner of this month when Smith New the floor, has boomed since Court, one of the largest jobbers Big Bang. under the pre-Big Bang system. effectively abandons its original been undermined in several plans to maintain a trading presence on the floor; and Guinness Peat restructures its Henderson Crosthwaite broking of the trading firms - now goes operation so as to take institu- straight to the market makers, tional dealers back to its offices. to he transacted net of commis-The role of the trading floor, sion. Here, the business will be with its history of camaraderie done by telephone with prices and incomprehensible jargon, merely checked against quota-

nology, the floor is now a range from the facetious — shadow of its former self. The calling it the Hexagonal Wine hubbub, jostling and noise have Bar — to the more practical been replaced by empty spaces such as merging it with the as attendance has slumped to London International Financial one-fifth of the level before Big Bang.

The such as merging it with the London International Financial Futures Exchange (Liffe). And that might not be so far from A further blow - some say reality: the traded options mar-

The floor traders' role has ways. Much of the institutional business which is the life blood of the market — and the profits has receded as first the market- tions on the SEAQ computer making companies and then the screens. Market makers' offices brokerage house have removed can be anywhere - few now their staff, who now conduct keep even a token presence on business over telephones and the trading floor.

serious cause for complaint is by most firms these days.
that the disappearance of face
to-face dealing has undermined redundancies at this stage. Most
the trading skills required of a trading firms were anxious to the trading skills required of a pre-Bang dealer. During the negotiation over a deal, it was the anxious post-Big Bang possible for the contestants months—although it was not slowly to unveil valuable insually thought necessary to reward established floor dealers with Porsches. ity in the shares and the with Porsches.
balance between supply and demand—always without being Gas sale, together with the oblined to disclose their own other privatisation issues, has

together with the bargain size tutions, unwilling to deal in

trading intentions.

trading stands or, more often, watching to see who else was stock Exchange figure who trading stock.

While there are those who came up from the suburbs on the 8.15 am? Some changes claim that lack of personal already were apparent before contact reduces "feel" for the Big Bang. Mr Pooter now has to market, there can be no return to the old system. But a more for the 8.00 am conference held serious cause for complaint is by most firms these days.

helped to prolong the life of These skills are hardly relevant when trading by telephone. The best price, as well as each market-maker's range, is displayed on the SEAQ screen,—shares meant that the institute of the skills are hardly relevant with the best price. The trading floor. The rash of small bargains as Sid and his mates traded in their British Gas—or Trustee Savings Bank—shares meant that the institute of the saving statement of th

stairs," or, back to the firm's electronic trading office, finds himself in a new world where his carefully-acquired skills may appear redundant. Some Hedderwick traders will find themselves moving towards the job of equity salesman, a relatively new import from New York where banks of telephone traders hammer at the ears of prospective customers, offering day-by-day whatever lines the firm has to sell.

Whatever happens to the present generation of floor dealers, it seems likely that it will be the last to follow the traditional route of market firm employees. Arriving first as office boys or clerical staff, the bright lad would progress to the honoured rank of "blue button" -allowed onto the trading floor but usually only licenced to check prices for his betters. Then, if he proved successful,

over the past decade—but it was boosted by annual bonuses (often 200 per cent of annual salary) as well as Ghristmas hampers in the best Dickensian

tradition.

For the short term, the virtual extinction of the trading floor is painful both for staff and market firms. Much of the electronic gadgetry set up on the floor will, presumably, become redundant. There will be far less call for the expensive "trading boxes" just off the floor, rented by the Exchange to member firms.

And those on the 8.15 — sorry 7.15? No doubt they will adapt to changing circumstances. The best side of the stock market has always been its cheerful readiness to grapple with innovation. But those years as a protected monopoly will have to be shed fast — and the floor trader could be the first to feel

Nick Bunker reports on Prior Harwin's difficulties

# Wind-up\_order upsets clients

finish sorting out the mess left when civil servants closed the company down just before Christmas.

Christmas.

About 3,000 investors used Prior Harwin to buy or sell shares in the recently-floated TSB group or British Gas. Judging from the telephone calls that resched the FT last week, their festive season was

an auxious one.

Their main worry was that they could lose large sums of money if their share transactions had not been settled beactions had not been settled before the Department of Trade
and Industry asked the High
Court on December 22 for a
winding-up order against Prior
Harwin, on grounds that it was

Wednesday's meeting casts
little fresh light on the reasons
behind the DTI's move. Sharcholders were given Prior
Harwin's Report and Accounts only for the period to October 31, 1985.

Some of the details made interesting reading. In 1985 for instance Prior Harwin plc made an operating loss of £7,200, compared with a loss the previous year of £180,000. Prior Harwin Securities, its main subsidiary, made a pre-tax loss of £2,500 in 1985.

Second, the accounts included a statement by Fox Associates, auditors for Prior Harwin Securities. Fox said it could not form an opinion on whether or not Prior Harwin Securities' profit and loss account gave a true and fair view of its situa-

"During the year, the com-pany's system of control over certain accounting functions lapsed," Fox said in a note dated October 23. "We were thus unable to obtain all the information and explanations that were considered neces-

Points like these may now be of only historic interest, given that Prior Harwin could be liquidated following a High Court hearing due at the end of this month.

Tony Prior, Prior Harwin's chairman, tried to bring the complete what might be the last annual general meeting in its 25-year history. It could take many months for the High Court, the Official Receiver and Prior Harwin's directors to finish sorting out the mess left attacks on the DTI, which he claimed had caused "maximum misery" to Prior Harwin's clients by putting an end to a business that in his view was perfectly solvent and a going

concern.
It was left however to lan Bond. a grey-haired, pipe-smoking accountant, to spell out what the immediate future holds for Prior Harwin's clients.
Mr Bond is the special manager appointed by the DTI's official receiver, to safeguard and maximise the company's agests pending the court hearing. His comments at Wednesday's AGM indicated that Prior Harwin's clients fall into three broad

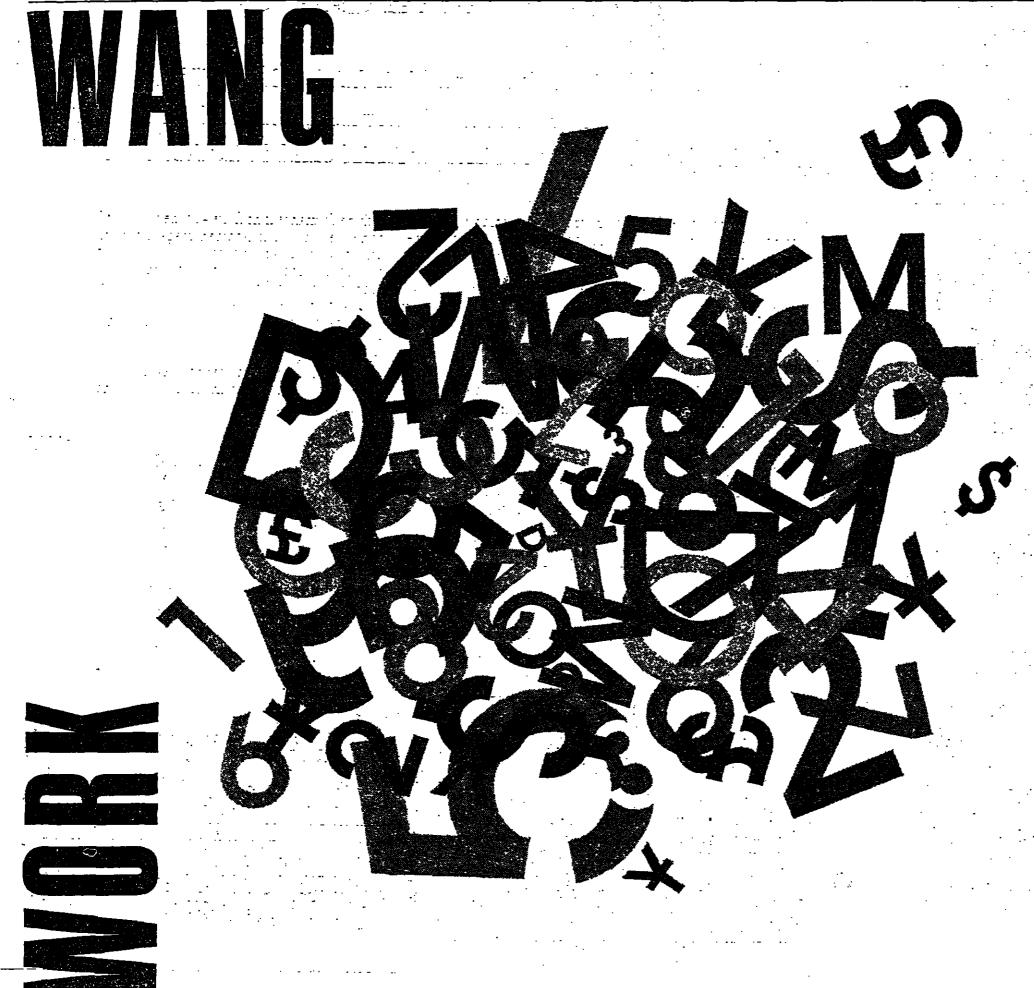
categories.

First, there are an estimated several hundred people who bought shares via the company, paid their money, but have never received the certificates. Mr Bond said there were some certificates waiting to be sent out from Prior Harwin, and in other page his stiff ware male. other cases his staff were replying for registration of shares owed to clients. Some Prior Harwin investors may still be left without certificates and have to be counted among its unsecured creditors.

Secondly, there are clients who sold stock via Prior Harwin but have yet to deliver the shares. Mr Bond said that enyone delivering stock after December 22 would either be paid for it at the original agreed price, or would have their TSB or British Gas allotment letters returned to them so that they could sell elsewhere.

The third class of clients are those who sold stock and de-livered it before December 22 It seems likely that they will have to take their chance as un-secured ereditors if they have any outstanding money owed to them.
For the moment, Mr Bond

advising anyone who then they are a creditor to write to him at Peloitte Haskins and Sells, 128, Queen Victoria Street, London, EC4, enclesing brief details of their claim and photo-copies of relevant docu-





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### FINANCE & THE FAMILY

hand. Thus the gifts which

you contemplate will not attract

tax if you have a sufficient margin left on your nil rate

band (which at present stands

at £71,000). If you survive the

gift by seven years it will not

be counted in your tax scale at

**Troubles** 

of a trust

About 20 years ago my wife

sold some property in Bermuda

and with the proceeds set up a

trust in the Bahamas for the

funds did not come back to

Some months ago the Inland

know what capital gains have been made by the trust. The

Revenue said it wished to

trust company will have to

because of disposals and

supply this information and,

purchases over the years, I

I can understand that if and

when the fund is distributed to our daughters there will be

what if our daughters were to

presumably there would be no

CGT to be paid: and so work

would have been done and a

he domiciled abroad.

imagine the fees could be

this country.

considerable.

benefit of our daughters. The

I used to ewn a country cottage to English law in any place in the solicitors office. The which was demolished last the world and it will be capable receptionist rang the soli year by the local council for a road widening scheme. It was the only house I owned but for three-quarters of the year I lodged with my parents to be near my work. During my vacation however I lived in my country cottage. Nevertheless, when I applied to the council for suitable alternative accommodation after demolition it refused on the grounds that my cottage was not "residential accommodation." What is the proper definition of residential accommodation in this context? There is no definition of "resilawyers dential accommodation" in the Land Compensation Act 1973. In late 1985 I approached a-We think that on ordinary principles of construction your property is residential accommodation. The real question is whether other suitable accom-

# A will in South Africa

modation is available to you on

reasonable terms, in which case

the local authority has no duty

to rehouse you under Section 34 of the 1973 Act.

My brother-in-law is visiting Johannesburg on an extended holiday and wishes to draw up a will whilst there, He is normally resident in the UK where his home is and where all his assets are. Will a will drawn up and executed in South Africa be valid in the UK in event of death either in South Africa or on return to the UK in say A will may be drawn up and executed in a form conformable

the world and it will be capable of disposing of immovable property in England and also of movable property, but the latter only where the testator dies domiciled in England. If the witnesses are resident abroad it could become difficult to effect formal proof of the execution of the will for probate in solemn form, should that become necessary, but usually probate is granted in common form without the need for such proof.

# Waiting for

CAB having been quoted a price of £15 plus VAT by one of the partners to make a will that contained a property severance. I had drawn up a will myself but was told there was so much wrong legally I would have to start again. The person interviewing me stated that if I had not been quoted a price of £15 plus VAT they would not have done such a will for me. My wife who previously declined to make a will was brought into the matter by the solicitor and I agreed to approach her again about her making a will. This person quoted me a price for both wills of £25 plus VAT and at that point had a good idea what was required. The wife and I had an interview about a week later — it was by this time early 1986 - we then agreed on two forms of will and the matter left with the solicitor. Papers for the severance were received about 14 days later. We heard nothing further by May and went to

receptionist rang the solicitor concerned and then told us they would be ready in 14 days. In August 9 I sent a letter stating that if I heard nothing from them in 14 days I would conclude they did not wish to proceed and that they would not be making any claim for work down. I heard nothing until I received draft. wills in November. I feel we have been greatly abused by these people. I could have been dead and buried at least 50 times since they undertook this work.

The solicitors appear to have acted in a most unsatisfactory way. However, as you were still able to make the wills in November, there is no actual loss caused to either of you and you therefore do not have any effective claim against the solicitors. Your best course is to execute the wills (if that has not already been done), aways assuming that they are now drafted to meet your requirements. Although you would still be technically liable to pay the solicitors the fee quoted, you may be able to convince them that the fee should be waived or reduced. You may also wish to refer the matter to the new Solicitors' Complaints Bureau.

# A £40,000 question

Further to the gift to sister (November 22, Briefcase). Would I be in order in giving, say, £10,000 each to my nieces without having to pay tax? Or is it only an immediate relation who can receive gifts

The small gifts exemption and

cost incurred to no purpose. Is the Inland Revenue entitled to request this information? Yes: the inspector may seek to impose penalties for past failure to disclose the information, Yes: the inspector may seek to impose penalties for past failure to disclose the information, year by year. We recommend that you seek professional guidance — possibly from the solicitor who assisted in the drafting of the trust deed, in

1966 or thereabouts.

the nil rate band for inheritance tax purposes apply to any gift, whether or not the donee is related to the donor. Thus you can give up to £3,000 (total) in each year without coming into the tax scale at all. Above that sum gifts will be counted cumulatively against the nil rate

# Tell the taxman

a company pension but no state pension until 1988. In 1984 I received and completed a tax return form. In 1985 I did not receive a tax form and in due course wrote to the Tax Inspector to tell him so but also advising him that I had had no abnormal income and no charge to capital gains tax. This year (1986) I again received no tax form and again wrote similarly. Next year (1987) I will have an extra £500 untaxed income to report from consultancy work and the following year may well have capital gains exceeding the tax-free limit if I sell part of my land and become liable to tax on it. Do I have responsibility to tell the tax inspector that he has not sent me a tax return form and to give a "tax return on plain paper" reporting any liability to additional tax or do I fust sit tight and answer

I retired at age 60 in 1983 with

his questions when asked? As the law stands at present all that is necessary (if you do not receive a tax return form) is to tell the inspector that you have an income tax or capital gains tax liability for 1986-87. for example, before April 6 1988. If you want to confirm this, look at sections 7 and 12 (1) of the Taxes Management Act 1970 in a local reference library, e.g. in the British Tax Encyclopedia or Simon's Taxes.

No legal responsibility can be accepted by the Financial Times for the enswers given in these colur All inquiries will be enswered post as soon as possible.

# Forward to bonuses CT D

THE 1986 bonus season has arrived. Over the next few weeks traditional life companies will be announcing their reversionary bonus rates for the end of 1986 and reassessing their terminal bonus rates paid on maturities and death claims

Investors holding conventional with-profit contracts will be able to assess the progress of their investments by considering the impact of the reversionary bonus declared by their life company. Those investors hardy enough to have kept their contracts for the full term will see the fruits of their perseverance come through in the combined reversionary and terminal bonus. What can these investors expect?

To start with, it is virtually certain that there will not be any cuts in bonus rates for end-1986. The long-predicted bonus cut is still some way off. Interest rates are still refusing to come down to a level which would force life company actuaries to consider cutting their reversionary bonus rates. Equity values have shown strong growth during the year, with steady dividend increases. and though property values have still been dull, rental income is still climbing.

So investors with policies maturing in the New Year can look forward to substantial increases in pay-outs, compared with investors holding similar contracts which matured during —if the declarations from Norwich Union and Commercial Union are a pointer for the other life companies.

Norwich Union, as usual sets

the mark for other life companies to beat by declaring its rates in the middle of December. Scottish Equitable, often first in the field, is this time waiting until early January.
As expected, Norwich Union

has not let down its policyholders over their maturing contracts. They are getting around 10 per cent more in 1987 compared with pay-outs on similar contracts maturing in 1986..

formance, with its equity dividend income up by II per cent and property rental income up

by 7 per cent. But this year the company is passing on the benefit of its strong investment performance primarily through an increase in its terminal bonus rates (additional bonuses in NU terminology). Not only is it keeping its basic reversionary bonus rates unchanged yet again, but this year there is no special reversionary bonus being de-clared as in previous years. Reversionary bonuses, once declared, become guaranteed and added to the basic benefit

and previously declared bonuses. Terminal bonuses, on the other hand are only added at the time a contract matures. So they are much more volatile in nature than reversionary bonuses.

In previous years NU has paid out a large part of its profits in the form of reversionary bonuses, including special reversignary bonuses. It has made a virtue of the fact that only a small portion (30 per cent in 1986) of its maturing pay-outs consist of the volatile terminal bonuses. With other company pay-outs terminal bonus can The company has again re-account for as much as 50 per corded a solid investment per-cent of the maturity value. In

lifted the terminal bonus portion

to 37 per cent.
Hugh Scurfield, head of NU's life operations, has defended his actions by referring to greater uncertainties, this year, political and economic, with interest rate

cuts still very much on the NU's asset strength should reassure existing policyholders of the continuation of the reversionary bonus level and that when their turn comes there will be plently of assets to maintain maturity values. Of the £6bn assets in the NU Life fund, 55 per cent covers the basic benefit existing and future benuses (at current rates) liabilities, a further 24 per cent gues in paying the terminal bonus, leaving 21 per cent (£1.2bn) of assets as free reserves. This year's record new business should start contributing to profits either this year or

Hugh Scurfield still emphasises that it remains the philosophy of NU to maintain a sensible balance hetween reversionary and terminal bonus. But this year, Commercial Union has taken over the role from Norwich Union as championing bonuses to be given in reversionary form.

CU is maintaining its reversionary bonus rate and is again paying another special rever-sionary bonus. It has not overlooked the terminal paymentthis has increased by a fifth on life contracts and nearly half on individual pension plans.

With NU and CU setting the pattern of unchanged rever-sionary bonuses and higher terminal payments, no life company operating through independent intermediaries dare cut its bonus rates this year. It would be dropped like a hot brick by those intermediaries.

Post - Christmas ments by Clerical Medical and Gresham Life confirm the trend of substantially higher bonus rates, making 1987 a good year for policyholders.

Eric Short

JONATHAN SPEELMAN WOLL the Kleinwort Grieveson British Chess championship for the third time when he defeated petitive event. He was a silver medallist with the England decisive king entry.
team at the chess Olympics of White: J. S. Speelman. Black: team at the chess Olympics of 1984 and 1986.

Under the watchful eye of John Brew, deputy chairman Grieveson Brit of the stockbroker sponsors, play-off 1986). the British title has steadily gained in status in the past decade until it rivals the Russian and American events as the best in the world. Some 60 players, qualified via semifinals or published rating, take 8 P-QR4. White is ready to part in the final, and there are sacrifice a pawn for a prospecial places for promising longed initiative, while Black

To win this year, Speelman exchanges or active play. in the final at Southampton P-N3, PxP. with Murray Chandler and A Russian game refuted 10...
Jonathan Mestel, so the grandP-B6? 11 P-K4! PxP: 12 Q-R5,
master trio had to meet again P-N3: 13 NxNP! 11 QxP, B-K2; in a double-round play-off. 12 P-QR4, P-QB3; 13 P-K4, Chandler and Speelman drew P-N5; 14 P-R5, N-Q2. twice, while the off-form Mestel

was timed at the quickplay rate of half an hour per player for

the entire game. Speelman's final proved worthy of the occasion. In spite of the fast time limits. he controlled a currently debated opening system and Murray Chandler in a fast time manoeuvred to exploit Chandlimit play-off at the Great ler's restricted bishop. Black Eastern Hotel, London. Speel tried to reach a drawn rook man, 30, was previously chamending, but Speelman gave up pion in 1978 and 1985, a notable an extra pawn to simplify into performance for such a com- a pawn endgame which he won by classic tempo play to force a

> Chandler. Catalan opening (Kleinwort, Grieveson British Championship

1 N-KB3, N-KB3; 2 P-B4, P.R3; 3 P.KN3; P.Q4; 4 P.Q4, PxP; 5 B-N2, P-OR3; 6 O-O, P-QN4: 7 N-R5, N-Q4: 8 N-QB3. The latest refinement in a modern gambit, improving on

plans to return material for

Here P-B3; 15 N-Q3, PxP; 16

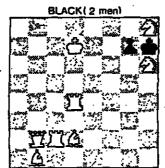
lost all four games.

An innovation for the British title, and possibly for any national chess championship, was that the decisive play off

With a clever tactical idea: 22...QxP; 23 BxP, KR-Q1; 24 BxP ch! KxB; 25 RxB ch and a won rook ending.

22...QxQ; 23 PxQ, B-B3; 24 RxR. RxR: 25 BxP BxB (better B-N4); 26 RxB, R-Q1; 27 K-N2, K-N2; 28 K-B3; K-B3; 29 P-Q7, K-K3; 30 K-K4, P-B3; 31 K-Q4, RxP; 32 RxR; KxR; 33 K-B5, K-B2; 34 P-R3, P-R3; 35 P-B3, P-R4; 36 P-B4, P-N4; 37 P-B5, RNS; SP-B4, K-Q2; SP-C5 P-N5; 38 P-R4, K-Q2; 39 K-Q5, Here 39 K-N6, K-Q3; 40 KxP. K-B3: 41 K-R7, K-B2; 42 P-R6 also wins. 39...K-K2; 40 K-B6, K-K1; 41 K-Q6, K-B2; 42 K-Q7, K-B1; 43 K-K6, Resigns.

PROBLEM No. 653



White mates in two moves, against any defence (by F. Gamage). Even with huge material superiority. White still has to find a precise opening

> Solution Page XIII Leonard Barden

# Clerical Medical paymore

Once again, the strength and consistency of Clerical Medical's investment management are emphasised by the Bonus Announcement for 1987.

Maturity values for our with-profits policyholders stand at an all-time high, beating not only our own record payments in 1986, but those of all our competitors for that year.

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£17,508 \*25 years from 1962: ₹,48,225 **NET YIELD** 17.3% p.a. 14.3% p.a.

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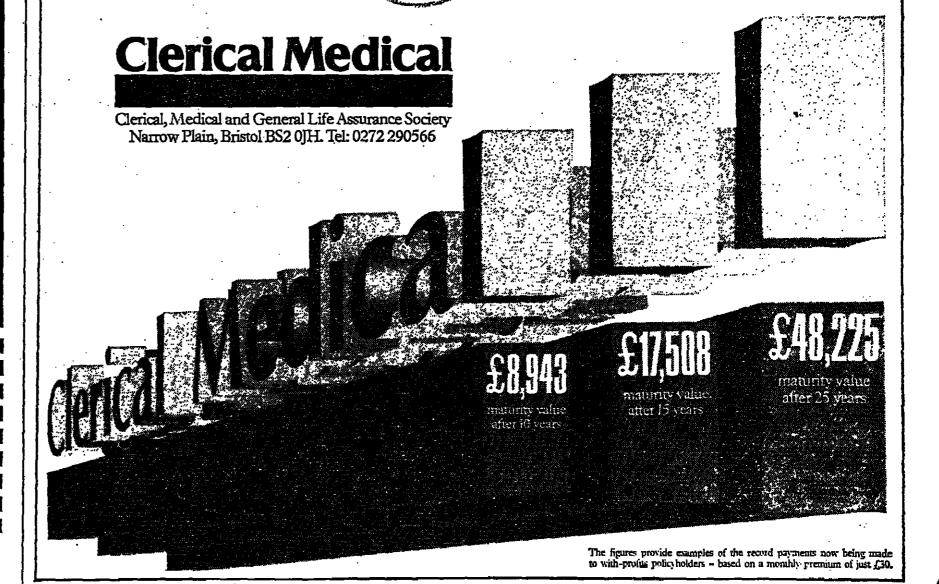
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### · TRAVEL · MOTORING ·

# Made-to-measure Caribbean from the deluxe to the dusty

With an embarrassment Foster, who runs Caribbean Connection, one of Britain's of choice and some dodgy connections Michael Thompson-Noel goes island-hopping.

IF THE Caribbean did not exist, Europe and North America would have invented and then built it, for it is the ultimate playground. Every paim and pelican, every coral strand, every note of reggae would have been manufactured or assembled

and then shipped in.
The result, however, would been bland uniformity. which is the last accusation you would level against the Caribbean as it exists today whatever the homogenising induences of mass marketing and travel.

The islands themselves are mainly the emerging summits of a range of drowned volcanoes. a submarine continuation of the same geological upheaval that created the Andes, and all are scrubulously different, which for first-time visitors can be just a shade confusing.

In The Traveller's Tree,
Patrick Leigh Fermor described
the Caribbean's diversity by
arguing that "each island is a
distinct and idiosyneratic entity,
a distinct on the receive. a civilisation, or the reverse, fortuitous in its origins. . . There is no rule that holds good beyond the shores of each one unless the prevalence of oddity. the unvarying need to make exceptions to any known rule, can be considered a unifying principle." Later, he says: "Nothing is more than four-anda-half centuries old and all is improvised."

He is right, of course, as I discovered shortly before Christmas while attempting to island-hop from Anguilla to Nevis — a prosaic journey, normally, but one that was transformed, by rain, into a bungled odyssey that swept me hither and thither and left me mad, bad, and drippingly wet -not, you might say, a novel predicament, but one made worse by the knowledge that my own casual stupidity would cost me dear.

Let me explain. To get from Anguilla to Nevis you take a short ferry ride to St Maarten, and then a small plane ride to Nevis, all of them in the Leeward Islands. Nothing could be simpler for you are pressing. be simpler, for you are crossing from one knoll of the British, or English-speaking, Carlobean, to another—although adeputed what one American expert calls "the magic, the mittedly via an island (5). mittedly via an island (St charisma, the lighting, the Maarlen) which is part of the voodoo or whatever it is that

would call insouciance, the Malliouhana, certainly; Jumby stewardess plucked up her mic-rophone and said: "We shall not be going to Nevis today. We shall go to Antigua." This pro-luce, and appropriately expenbut of course to no avail. We went to Antigua, where after islands I visited was Nevis, long negotiation it was decided When Columbus sighted Nevis we would attempt to reach St he is said to have christened We would attempt to reach St in it Nuestro Senora de las Nevis, but not the same thing.

"We hope the weather gets better very soon," said the pilot suavely. And of course it laughs, because in some ways didn't. It got very much worse, so that by the time I was finally and to busted enterprises—decented on Navisian soil it narticularly. decanted on Nevisian soil, it particularly sugar, was velvety black night, and I In Charlestown, the island's was as drowned as a rat. My capital, I saw a sign, "Availfoolishness lay in trusting a tiny able Now-Rat Poison," which Caribbean airline to take depressed me unaccountably; reasonable care of my battered but it is the sort of place that red surfcase, which clearly lures you back, particularly if spent hours in the pouring you stay at Montpelier Plantarain. The result: a band of tion Inn, run by James and luminous red dye across the Celia Milnes Gaskell. This is at only suit that ever littled me, 650 ft, where the breeze blows

bourne and Sydney. 93 Newman St.
The effect of this unscheduled (tel 01-930 8271).

leading travel specialists, the key to the Caribbean, especi-ally for first-timers, is to decide precisely what sort of holiday

rou want.
"For example," he says, "it's not enough to decide that you want to crash out, to loll in the sun, for the islands, when you reach them, are very different. Our advice to first-timers is to spend at least part of their holi-day—particularly the start—on one of the major islands, and then to progress to one of the smaller ones. A two-island holiday is the best way to do it."

On the basis of his advice, we can split the "English" mar-ket in the Caribbean into three broad groups: first, the tinier islands, whose basic appeal is sea, sun and sand. This group includes the Grenadines, Montserrat, the British Virgin Islands, Anguilla, St Barthelemy, and Tobago. Second, a middle category of larger islands (again, these should be stepping stones in a two- or three-island holiday). This group includes Grenada, St Lucia, Martinique and Guadeloupe (which are French, but a great lure to the British),

Finally, there are the major destinations: Barbados, Jamaica complete Caribbean island), and Antigua. From Britain you can fly direct to Jamaica, Barbados, Antigua, St Lucia, and Trinidad. After that, it's a matter of fanning out, by boat or plane, which involves some fatigue and dodgy connections.

My own jaunt took me to Anguilla, Nevis, and Peter Island, which is just off Tortola, in the BVIs (British Virgin Islands). Each was sharply different. Anguilla-franklydusty and scruffy, though it boasts a first-rate resort-hotel, the Malliouhana, which is stark, Moorish, expensive and very quiet. It is run by Leon and Annette Roydon, while the kitchen, which is superb, is directed by Jo Rostang of La Bonne Auberge in Antibes. In the 1960s, the only place

to be in February was said to French Dutch Caribbean and is makes one resort an instant a free port with three success and others simply languages and three curren places you might consider booking if you find that you

By the time I boarded the can't get into the place."

place in St Maarten, the On this reckoning, those now weather was foul. With what I making their mark include

The most interesting of the

and terminal damage to an extremely beautiful jacket that used to cause a stir in Melbourne and Sydney.

away the mozzies, and most of your worries.

Caribbean Connection is at 93 Newman St. London W1

iaunt was to acquaint me, in a There is no end of guide day, with a little of the diversity that is the hallmark of the Caribbean and its multifarious Bellamy, Cadogan Guides, peoples. In the view of Drew London, £8.95.



Carnival time on the streets of Roadtown, Tortola

Special Places

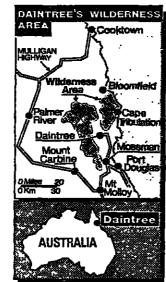
Michael Thompson-Noel discovers a scrap of paradise in Queensland

# Rainy days in Daintree

OF ALL THE magical places in Australia, one of the most memorable is the scrap of paradise near the continent's north-eastern tip that is the Daintree rainforest. It is a fragment of Atlantis. This is not purely fanciful, for the Daintree region was spared the volcanic holocausts that devastated northern Queensland in primitive plants and animals that date from well before the break-up of the supercontinent of Gondwana.

It is a small area - about 140 kms north-to-south by no more than 60 kms wide — that is as intimate as an emerald and contains enclaves and vistas of heart-wrenching beauty: reef-fringed coastline, bone-bleached beaches, belts of mangrove, smothering walls of forest, orchids and ferns, and far granite peaks. In all, the Daintree contains more than 30 types of tropical rainforest, and thousands of species of plants and animals — many yet unnamed. or still to be discovered.

scovered. by bulldozing roads, by digging with the vehicle. Essentially, it is just as Capt for tin, or by burning bits of We eventually



aggressive and intrepid so that extravagant array of wildlife, the wreckers and despoilers and though it is not easily glimpsed. There are green-eyed frogs and are being confronted face-on. blue-and-crimson crayfish; loriWith just a little luck, the
Daintree and its biological
treasure house will survive a
while longer, although as Geoff
Mosley, director of the
Australian Conservation Foundation save: "The main property of the which are unique such as dation, says: "The main prob- of which are unique, such as lem of the Daintree is how to Bennett's Tree-kangaroo—yes, a ensure that it is conserved in its natural condition."

Tour and the paintree and the Daintree River ringtail possum. Others occur more commonly, including the grey tion, and thence to Bloomfield and Cooktown. Or you can hire a four-wheel-driven cruiser, as I and a companion did last December, and plerce the wilderness directly north of Daintree, en route to Cooktown. This is not an easy ride. Within Russell, published jointly by an hour, we were drenched in the Daintree River ringtail possum. Others occur more commonly, including the grey kangaroo, the wallaroo, and sand cooktown of a dustralia is a magnificently-photographed book called Daintree, en route to Cooktown. This is not an easy ride. Within Russell, published jointly by an hour, we were drenched in Kevin Weldon and Associates sweat (the air-conditioning and the Australian Conservation foundation (about \$25). It may be a record of a paradise that is doomed. We must keep

land so that real estate but for the return leg resorted developers can grab their next to the Mulligan Highway, and

million. gave ourselves a break.

Fortunately for all of us, The Daintree wilderness and Australia's conservationists are adjacent coastal areas host an array of wildlife. kangaroo that lives in trees-and the Daintree River ringtail

We eventually settled down,

OF THE COUNTLESS tourists visiting Paris who have been to Versailles, or pretend they have been there, or at least feel they ought to go, few think of another great palace in a forest less than an hour from the capital. Fontainebleau is not so aggressively splendid as Versailles, which is perhaps why it is more likeable, less exhausting. Versailles was a grand idea a substitute capital, the creation of one powerful the creation of one powerful and determined monarch, Louis XIV. Fontainebleau is an accu-mulation, grown gradually over the years out of a hunting-lodge by a spring in the woods.

Various rulers stayed there and built on a modest scale before Francois I decided to put his mark on the place in a big way—literally, in the case of carved initial F's on some of the chimneys. Napoleon preferred Fontainebleau, where he was out of the shadow of Louis XIV (unfair competition when it came to la gloire) and could, with slender justification, feel himself one of the line of French kings. The process of enrichment did not stop with Napoleon. Dumpy Louis-Philippe did much, not all of it happy, and the work was continued by the last couple to reign over France, Napoleon III and Eugénie.

The piecemeal growth and even the confusing ground-plan, with the great courts sticking out unevenly from the centre which is not a real centre but more a link—the great gallery of Francois I—ensure, on the grandest possible scale, a kind of homeliness. In sunlight the colours of the exterior are examined ravishing, with steep slate-blue roofs, pink brick and pale cream stone, all recently cleaned. The vast scale absorbs grandiose the ornate detail. Some of the best building, like the simple.

Ronald Crichton finds a grand homeliness at Fontainebleau

# Forest of the French kings

appartements on the ground level. Because of the strong feeling that the place was loved and lived in by successive owners and because of the patina acquired over the years, Fontainebleau is in some ways more like an English than a

ficence, in the great state rooms the first floor and the gor-geous jumble of the petits as distant as decently possible

from his own.

There is too much, of course, for more than a general impression to be got in one day. In any case, if you are wise you will space out the interior with breathers in the gardens with their trees and wealth of water

### BREAKS WEEKEND

of an ensemble of resplendent ceilings, frescoes, sculpture and stucco work, than when It is examined piece by piece in a

The apartments below, "little" indeed by these grandiose standards, glow with fine furniture, paintings and hangings, deeply satisfying Cour des offices built for Henri IV, is not ornate at all.

Inside there is more magni
deeply satisfying Cour des changing tastes of the succesion industry and good will. Fontainebleau is real and successful favourities. The guide points mer; at other times, without the A6. These are hour out how Napoleon made sure a coach party in sight, it is from the Gare de Lyon. reflecting the

French palace. The state rooms are full of the work of Italian artists brought to France by Francois I, among them Primaticcio and Rosso. The "Fontainebleau style," with its elongated figures and elaborate decoration, is more approachable in the right setting, as part of an ensemble of resplendent — fountains, a carp pond and a grand canal. Beyond them there is always the forest, still vast and wild in spite of the roads cut through, with clear roads cut through with clear roads cut through, with clear roads cut through the winter.

On one of the roads to the north of the town lies the village of Barbizon, which gave its name to a school of 19th century landscape painters including Millet, Theodors Rousseau and Daubigny movement," wrote Clive Bell, "full of enthusiasm, honesty.

pleasant enough. Nearby, on the edge of the forest, are wide, rolling fields easy to populate in the mind's eye with Millet's gleaning peasants.

Driving to the south, where the forest comes right up to the palace grounds, you find more grey-white villages, trim more grey-white villages, trim in a way suggesting the French equivalent of gentrification—this is commuter country. In one of the villages, Grez-sur-Loing, lived the composer Delius. Here, when he went blind, he dictated his last works to Eric Fenhy. The house is private, but you can dream of summery music on the ancient bridge, watching the water flow slowly towards the water flow slowly towards the

Commuter country this may be, but enviably unspoilt, green and peaceful. Downstream from Grez is the eld town of Moretsur-Loing, where the Impressionist painter Sisley spent his last years. The Gothic church of Notre Dame replaced a clightly earlier one consecrated slightly earlier one consecrated by Thomas a Becket. There is another venerable bridge. It was near Moret that Napoleon stage-managed an "accidental" meeting in the forest with Pope Pius VII, come to crown him Emperor — nobody was sure about protocol or precedence. To end on a practical note, this is Brie country. If you taste that cheese at Fontaine-

bleau you may feel less kindly about your local supermarket. There is a fair number of hotels in Fontainebleau, mostly near the centre and the main entrance to the palace. One which may be overlooked be-cause it is a few minutes walk away is the Legris et Parc, a comfortable old building in the rue du Parc, a quiet street to one side of th palace, with easy access to the grounds. A double room with bath costs about £30. Fontainebleau is reached by road from Paris via the N7 off

the A6. These are hourly trains

turbo-diesel Shogun seems an

Having spent an enjoyable

week with the Shogun, I swapped it for another Mitsu-bishi turbo-diesel which has

only one European counterpart, the Renault Espace—and this is not sold in Britain with a diesel. The Space Wagon is well named because it seats up to

seven on three face-forward rows, yet is 4 in shorter than a Ford Sierra. You sit fairly up-

right for a commanding verw

over the very short bonnet but it drives like a car, not a van. The ride is good, the power steering effortless, and the 1.8-

litre turbo-diesel as quiet and almost as lively as a petrol

ecutive car and it is easy to enter and leave and it struck me

as ideal for a family who need

a car that is big inside, small

manual gearbox, the turbo-diesel Space Wagon is £9,999,

Solution and winners of the

Christmas Crossword
Mrs C. M. Bovaird, Edgbaston,

Birmingham; Mr L. Cartwright, Pool-in-Wharfedale, W.

to special order.

With a sweet five-speed

attractive proposition.



Fontainebleau is not so aggressively splendid as Versailles but is maybe more likeable

Stuart Marshall finds 4-wheel drive comfort and competence

# On-road glide, off-road grunt

Rover's monopoly of the com-fortable and civilised end of the recreational four-wheel-drive market was the Mitsubishi Shogun.

Mercedes had earlier tried and failed to do so with its G-car. Although magnificently engineered, the Geländewagen was too expensive for those who merely wanted its cross-country merery wanted its cross-country capability, too ugly for the Chelsea farmers. They still prefer Range Rovers because they are macho, go nicely with their immaculate Barbours, and are socially acceptable in the shires or London W1.

The Chelsea farmers can still afford to buy them at £18,252 for the standard four-door, up to £22,533 for the increasingly popular Vogue version with automatic transmission and air conditioning.

The Shogun, which costs between £13,249 and £15,799 in its five-door, long wheelbase version, has been so successful that it now accounts for nearly 25 per cent of Mitsubishi's car sales in Britain. Like the Land Rover (which

is still the best blood and guts

the Shogun comes with long or known in the off-roading comshort wheelbased chassis. In unity).

Unlike most on-off road vehicles it has independent front suspension, which makes a reduces the risk of traction loss to the contribution to its almost carthrough, wheelspin in really takes three with room to spare, difficult conditions. But of are a pair of occasional seats suspension, which makes a reduces the risk of traction loss contribution to its almost carthrough wheelspin in really like behaviour on the highway. difficult conditions. But, of The short chassis Shogun has a course, very few people who fairly turbulent ride on rough buy Range Rovers (or, come to surfaces; but the long wheel-that, Shoguns) force them base turbo-diesel I used before through hub-deep morasses.

roofline—which is better for On the road, the drive is to the low garages or underground rear wheels only. Four-wheelcar parks—although my test car drive, with the customary high



The Shogun five-door, seven-seat estate

had the high roof which lets rear passengers sit upright wearing hats. The turbocharged diesel is now of just under 2.5 litres capacity and produces

An owner should see 23.25 mag. horsepower at 4,200 rpm. maximum torque (pulling power) at 2,000 rpm. The 2.6-litre petrol alternative is more powerful (102 bhp at 4,500 rpm) but cannot quite match the diesel's lowerpad match the diesel's low-speed off-road vehicle sold in Britain), pulling power (or grunt, as it is the Shogun comes with long or known in the off-roading com-

Christmas as a car substitute They are driven mainly on rode acceptably on country roads, with their all-wheel-drive facility reserved for the occamotorways

motorways.

A number of changes have farm road.

been made to the 1987 Shozun
range. The five-door estate permanently-engaged fourcan now be had with a lower wheel-drive like a Range Rover

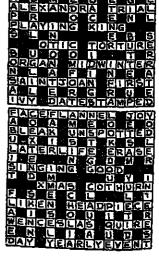
Shogun good fuel consumption. An owner should see 23-25 mpg if too much 70-75 mph cruising on motorways is avoided. The four-speed automatic transmission, speed-sensitive power steering and the lightness of all controls makes the Shogun very pleasant to drive and particu-larly easy to park. Seats, fascia and noise levels inside are those

is mounted, as convenient for loading and unloading as a hri-contally split tailgate. The door

engine.
On the motorway, the Space Wagon turbo-diesel hummed along at businessmen's cruising speeds. The velour-trimmed seating is like that of an exception can and it is next to

are a pair of occasional seats that fold away. They still take up a fair amount of space when folded and the Shogun's load floor is not as generously pro-portioned as a Range Rover's. Nor is the side-hinged rear door, on which the spare wheel four-Rover gun is parked on a steep slope, to the But as a car substitute, with the muscle to handle a heavy trailer and the traction to go

Foot-in-whariedale, w. Yorkshire: Leonora Collins, London SW15; Mr J. M. Harvey, Glasgow; Mr G. C. Newman, Chertsey, Surrey; Mr D. M. Lewis, Oxford; Miss Lynn Baker, Edinburgh: Mr J. Share Wed. Edinburgh; Mr M. J. Share, Wednesbury, W. Midlands; Mr L. Stowell, Brislington, Bristol; Miss C. Matthews, London E9.



The Space Wagon, diesel or petrol, seats up to seven

### THERE IS a remarkable degree of unanimity amongst estate agents, building societies, and housing forecasters of all shapes and sizes about the prospects for the residential property market in 1987. After what market in 1987, After what ly market in 1987. After what John Simpson, chairman of Connells, describes as "a vintage vear" for residential property sales, the consensus is that we will see a continuing, steady increase in house prices, a further rise in the number of private housing starts, and no shortage

of home loan finance. But that's only the back-ground, the "10-per-cent-a-yearaverage-price-increase-and-noreal-change" feeling that most observers tend to see when they look at housing averages in 1987. Alongside that essentially stable market we are also likely to see some radical moves in the

housing business this year. Whether the current system of tax relief on mortgage interest payments will see the year out is a moot point, since housing poli- increases. cy-and homeowners' tax conessions in particular—is bound to become a key area of debate in what looks increasingly cer-

tain to be an election year. As far as the election is concerned, the need to avoid alienating 63 per cent of the country's households is a pretty solid reason for assuming that there will be no overt terrors for homeowners in the party man-

Although fiscal neutrality remains a theoretical aim of the Conservative Party, Chancellor Nigel Lawson is hardly likely to challenge Prime Minister Margaret Thatcher's promise that mortgage tax relief will remain as long as she occupies her tiedhouse in Downing Street.

For its part, the Labour Party's leadership is just as conscious of the owner-vote, and has successfully side-stepped repeated party conference calls to include a commitment to reverse the "Right to Buy" prog-ramme for council tenants as part of its official policy. On the other hand, the £4.75bn a year that Labour's shadow social security minister Michael Meacher describes as being "handed out unconditionally to owner-occupiers no matter how well off they are," would hardly remain unaffected if the Kinnocks were to inherit Downing Street. Mortgage interest relief restricted to standard rate tax levels alone would also be on

Liberal Alliance success at the Now that the Duke of Edinburgh (in his national housing report), the Church of England (in its analysis of housing problems "Faith In The City"), The Royal Institution of Chartered Surveyors, and most of the housing action groups, like Shelter. have all criticised the distorting as concerned about the impact effect of tax relief on the hous- of a general election campaign ing market, it is hard to see how the concession can survive intact for very many more years. on the export of cash.

Would the end of mortgage tax relief, or at least the end of the knock the life out of the housing

The state of the s

No-one seems to think that it

The building societies have consistently argued that a phased withdrawal of tax relief might temporarily dampen loan demand, but that it would not permanently disrupt either the shift towards home ownership or-after a period of adjustment—the pace of house price

Anthony Ball, head of Strutt & Parker's national estate agency department, takes the view that tax reform of mortgage interest could result in "house prices in the lower and middle ranges continuing to increase more rapidly than at the top end of the market, a reverse of the current trend, where demand for quality propery is outstripping

also makes the point that inflation rather than tax reform is a more critical factor for house prices. "Traditionally," he says, "the election of a Labour Government has been followed by a period of inflation in which house prices have performed well."

Domestic valuers will, then. be gathering more useful in-formation from the inflation figures than from the political opinion polls in 1987. But for agents dealing in overseas prop-erties, political uncertainty looks like ensuring a bumper year for sales

Although Labour Party policies aimed at more direct management of institutional investment have revived the prospect of reintroduction of a form of exchange controls, those con-trols are not expected to extend to individual propery transactions abroad.

That exclusion is a minor de-

tail as far as the increasingly popular "buy now before Roy Hattersley gets his hands on your money "style of villa sales the cards in the event of an SDPand offshore fund advertising goes. Agents for holiday and reirement homes in the Channel Islands, on the Isle of Man, and along the Spanish and Portugese coasts, are preparing for an increasing number of pre-election buyers. Those who are buying now are reported to be

upon the value of sterling as on any formal threat of a new ban

That " buy abroad " theme for 1987 extends to timeshare, a business that starts the year with a concerted campaign to counter what a number of the developers describe as a " press vendetta" against them.

On the positive side, major UK housebuilders-who generally only got involved in the business by bailing out cashstrapped independent developers—have begun to take serious notice of the far higher profit margins they can get selling the same property fifty times over than from battling the UK weather and planning authorities to earn a few thousand pounds a time on starter homes. This year, as an example, Wimpey Homes' marketing director John Attenborough switches over full time to expand the group's overseas villa and imeshare development and sales programme
On a less cheerful note, it is

understood that the Department of Trade is currently investigating the investment claims and policy of at least one high profile, UK-marketed timeshare scheme. So 1987 should have its full share of the kind of newsimeshare developers into a defensive rage.

The market for residential investment in the UK-directly related as it is to the health or otherwise of the corporate re-ntal market-faces a year of conflicting influences. On the one hand, with more rental stock on the market as developers have created a mass of impressively refurbished one. two and three bedroom flats in Central London aimed primarily at those who do want a temporary tral rental market.' home in London have a greater choice than at any time since the Second World War. On the other, as Harold Phillips of rental specialists Phillips, Kay & Lewis says, "We see no slacken-ing of demand from investors." Expatriates in Hong Kong and

across the Far East provide the main source of investment money for flats-mainly up to £200,000 a time—rented out by P far west as Earls Court and K & L to show a net 7 to 7.5 per north to Hampstead. Otherwise, cent return, and a significantly he says, "You cannot be sure of greater capital gain on resale.
Any exodus of foreign business staff as a result of a change getting possession to in the political climate would or three years time. cut the heart from this invest-



Hattersley: estate agents' anti-hero

ment market by undermining Phillips regard London Dockthe demand for rentals. But this aspect of the London residen- to risk rental investments vet. fairly well insulated from the vagaries of domestic politics. As Harold Phillips says, "So long as there is not a major international trade war, London will is something of an untouched still be an international city, oasis at the moment." Phillips the corporate rental market, and it will need to have a cen-

Louise Elwis of Farrar Stead & Glyn, a later entrant in the rental business, argues that the high cost of Central London flats cuts rental yields so much that it is advising new inves-tors—again primarily the expatriates—to buy in areas like Fulham and Clapham for returns nearer 9 to 10 per cent net. Phillips, however, would buy as getting a good tenant, guaranteeing letting all the time, and getting possession to sell in two

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lands as sufficiently established Their tips for areas to keep an eye on in 1987 are, respectively, "Tooting, Streatham, Kenning-ton, and even Vauxhall, which is the next logical place, but which still sees scope for increases in value in Notting Hill.

The rental specialists' concern about Docklands isn't shared by the queues of flat buyers who have continued to put deposits down on developers warehouse conversions and new-built waterside apartment blocks the minute their plans are unveiled. In 1987 their confidence will be rewarded with the completion of the first phase of the Docklands Light Railway, linking Tower Gate, Stratford, and the Isle of Dogs. The trains will be operating from July with fares similar to those on the London underground.

That rail link makes a sufficiently large breach in the

tral London that even those who financing partners in housing are cautious about the scope for projects for sale, and for rent. further increases in Docklands prices after the spectacular under the 1986 Building price rises of the past three Societies' Act came into force price rises of the past three Societies' Act came into force years expect a lively spring and on January 1, and while at least summer for the increasing numer of agents with offices in Wapping, Limehouse, or on the nance industry is to remain in Isle of Dogs. There all conversating the traditional area of savings tions are conducted with cros- and loans for home buying, the sedfingers because so much depends on the Canary Wharf consortium being able to reveal a major tenant for its majestic, 8.8m sq foot £3bn office project. apart from its sponsoring US

Other central London agents look for the fastest price growth this year in the west, following the underground links from the City out past the established high value residential areas Shepherd's Bush (where the development of the BBC's vast new centre is already drawing in gentrifying buyers) and on to Ealing (the new home for the Japanese School in London and, as such, likely to figure for the first time on the international relocation maps of Tokyo bankers).

Wimbledon is another area that wins the vote of many Central London agents as a suburb sufficiently well connected to win honorary "central" area status, and prices.

Private housebuilding had an excellent 1986, with the highest level of new starts for 12 years and the National House-Building Council saying that its earlier forecast of 150,000 new homes will be "far exceeded." This year, only the scarcity and cost of land in the South

East holds back the builders who, despite the Prince of Wales' criticism about concreting-over greenbelt, have in fact, built 45 per cent of all new homes since the war on reclaimed land. In striking contrast to the private builders' efforts, the Chancellor's spen-ding programme for housing authorities in 1986-87, allocating a gross total of £2.53 billion is expected to leave scope for the construction of only some 22,000 decade.

The only cheerful prospects on the public-sector housing front stem from the increased support for housing associa-tions, and, more critically, from this year's arrival of the buil-

psychological barrier between ket as housing developers on Docklands and the rest of Centheir own account, and as direct The societies new powers

90 per cent of the business of this £120bn section of the fibalance is sufficient to allow for radical changes in building society business.

side the deposit accounts, the major societies now have the option to compete with the banks in offering unsecured loans, not just to furnish as well as to buy a home, but to put a car in the garage, go on holiday, or spend on whatever else appeals.

The societies will also be able formally to enter the bidding for estate agencies, although those that plan to buy have been quietly lining up their bid targets since last summer.

Rather more than half a billion pounds worth of estate agency purchases in the last couple of years have brought 2,500 offices, 17 per cent of the estimated 14,500 national total, within the evolving national networks of banks or insurance companies.

Graham Clay, chief of the Prudential Property Services, indicates just how big those individual national networks may eventually become like the Nationwide Building Society, the Prudential was talking in terms of 400 or so offices when it started on its buying spree last year. Now, with £125m spent on 350 offices, Clay says that "current indications are that ultimately PPS will have in excess of 800 residential branches plus some 100 non-residential opera-

Independent agents, like Connells, tend to take a fairly dismissive view of the quality of service offered by the financial groups' agency networks. Chairman John Simpson reports that a fair number of senior refugees council houses or flats—a fifth have been joining him from per ce of the approved total being completed at the beginning of the banks and insurers, and he He warns that the big new networks forces alone will be sufficient to may be able to add business in a resolve the problem. "The bull market for housing, but that political and social consethey'll be struggling if the market turns.

situation," he says, because for urgent action. There is, not ding societies in the open mar- we're not cobbled together to much time.'

From Galapagos to Nepal,

from Zambia to the Falk-

lands, the world is your oys-

make up some planned number of offices around the country."
Certainly, the financial groups buying agency businesses will find it tougher going in 1987 as the remaining independents are found to be

to bear someone else's brand.
May this year will also see the
end of the Savills partnership. Not that there will be any change in the firms business, or any new owners to share Savills' signboards. It is taking what the agency world these days sees as the "Casenove route." Just as the blue-blood City brokers remained aloof from the con-glomerations of the "City's Big-Bang "---so Savills plans to stay independent, but to adapt to a changed market

Knight Frank & Rutley and a Apart from investment ser-vices and insurance sales along-name independent agents cannot be far behind Savills in changing their form, if not their ownership this year.

As for their markets, Savills' Victoria Mitchell makes bravely specific forecast that, in central London: "Absolutely prime and very special residential property will probably rise by a further 4-7 per cent during 1987, but otherwise prices will remain stable." Her country property colleague Geoffrey van Cutsem talks of a more cautious country house market in 1987, after a hesitant autumn, with a rough guide of a 10 per cent price rise in south-east England housing, and only a nominal increase in the north.

This north-south divide doesn't take account of pockets as the stockbroker belts of Birmingham and Manchester, or York-Harrogate-Leeds triangle-but these are excep-

tions to a distinctive rule that beyond Northampton. Right now you could buy a row of six three-bedroom terraced houses in Hull for half the price of an average studio flat in Ken-

sington. And this gap shows no

sign at all of narrowing as we As John Spalding, chief executive of the £25bn Halifax Building Society, says, "In absolute terms the gap is historically very wide, and what we are seeing is a significant widening of the divide, with relative rates of house price inflation of 20-25 per cent on London and the South East and well under 10 per cent in the northern re-

He doubts if free market quences of 'two nations' are, so far reaching that the issue is no We are much stronger in that longer for academic debate, but

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WHEN Environment Minister William Waldegrave recently announced a ban on anglers' lead weights it appeared that a hard-fought campaign by conservationists and bird-lovers had reached a triumphant conclusion. The weights have been decimating Britain's swan population and Waldegrave said that "none of us can stand by and wacth thousands of swans die

wacth thousands of swans die each year unnecessarily."

But ironically, it is the anglers and not the conservationists who have since professed themselves the more satisfied with Waldegrave's move. Peter Tombleson, director of the National Anglers' Council, described it as "great news for us—the government have given us exactly what we asked." At the Royal Society for Protection of Birds (RSPB), by contrast, conservation planning officer, Gwyn Williams, who had campaigned hard for new regucampaigned hard for new regu-lations, condomns them as "unclear and probably un-

The conservationists' frustration stems in part from the fact that it has taken them almost 10 years to reach this point. In that time they have had to conalso shows how an apparently

bodies were found, post-mortem concluded that lead weights examinations revealed that the were killing as many as 3,000 swans had been poisoned by swans a year.

Peter Gillman reports on the long-running battle between conservationists and fishermen

# Why anglers are swinging the lead

swans expel the gravel again, the Environment (DoE) the denser and heavier pellets responded by calling for "a settle in their gizzards. A dozen pellets can kill a mature swan, six or less a cygnet. withdrawal of lead by voluntary means but promised to consider legislation it necessary."

Among bird-lovers, there was tend with apathy and then no doubt who was to blame: protest that if they could not determined resistance by the Britain's 2.2m "coarse" fisheruse lead weights, they would angling world, whose behaviour men. (In the caste divisions of be unable to fish at all. But by can be considered less than the sport the term is peculiarly 1985, tackle manufacturers meritorious at times. The saga apt: it encompasses the mainly were producing non-toxic alterworking-class anglers who fish clearcut moral issue becomes for species such as tench, roach such as tungsten or putty, and considerably more complex and and pike, as opposed to the more the DoE announced that if intractable when political patrician "game" fishermen anglers did not stop using lead realities have to be taken into who pursue salmon and trout). weights it would introduce account.

All too often they would spill legislation by the end of 1986. It was in the late 1970s that their lead weights on the riverbird-lovers first noticed that bank or simply abandon them, swans were disappearing from along with broken tackle. In well-known nesting sites on the 1981, a survey conducted by the Thames and Avon. When some Nature Conservancy Council

digestion; and whereas the be banned. The Department of swans expel the gravel again, the Environment (DoE)

At first, anglers were able to natives made from substances With that threat hanging

over them, the angling authorities, headed by the National Angling Federation (NAF), against them was mounting: the RSPB—with 500,000 members were at last stirred to action. They banned lead weights from official competitions and joined Britain's largest conservationist group — distributed 40,000 falling sales, mounted a posters to schools, where its £100.000 publicity campaign message was falling on fertile entitled "Take a friend forces with the lead industry the tiny lead pollets that anglers

With conservationists presswhose parliamentary conpersoned by swans a year.

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the disposal points where its
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publicity campaign banned up to two ounces, but
the Department fixed the

our sport."

lected. They tried to minimise the damage by blaming a "lunatic few" among anglers.

vegetarianism are taking hold, anglers were fast moving beyond redemption.

Aware that the battle had moved on to a wider front, the anglers mobilised new resources. Last March; the NAF struck a sponsorship deal with Bryant and May—makers, appropriately enough, of Swan Vestas matches—worth £250,000 the use of lead weights on a national basis is needed as soon while also adopting a quasilibertarian stance. attacking "people who know nothing about fishing interfering with But the angling authorities. suffered from an overwhelming disadvantage. The sport is only over three years. Bryant and May's publicists, Chambers randomly organised, and barely May's publicists, Chambers Cox, found the anglers acuately one-fifth of Britain's coarse anglers belong to clubs affiliated Cox, found the anglers acuately sensitive to the criticism over not publicly contest the NCC's swan deaths—"they felt that findings. Instead, they conpeople were looking on them as killers "—and did all it could — and when William Waldeto the NAF, which could therefore impose no effective Meanwhile the campaign

to stress the NAF's attempts to grave announced his move suppress lead weights. Soon against lead weights in afterwards the angling trade. October, they had won two imwhich has been suffering from portant concessions. The NCC falling sales, mounted a had called for weights to be

as possible."

and two ounces, the compromise was enough to disappoint Committees

sale of weights, and the govern-ment's move, under the 1974 Control of Pollution Act, does just that. Responsibility for controlling lead weights will fall to the government's hard-pressed Trading Standards Officers, and conservationists question how effective they can be.

The DoE says that it could not have secured the parliamennot have secured the parliamen-tary time that a full ban on lead weights would have required, since next session it will be pre-occupied with the Broads Bill which will give Norfolk and Suffolk Broads the status of National Parks. But it does point out that lead weights could be banned under bye-laws could be banned under bye-laws drawn up under the Salmon and Freshwater Fisheries Act of

Conservationists are not reconservationists are not reassured, since it means that
responsibility will pass from the
DoE to the Ministry of Agriculture, Fisheries, and Food
(MAFF) whom they regard as
far less sympathetic to their
cause. MAFF's initial response
is hardly encouraging: it says national basis is needed as soon is hardly encouraging: it says that the matter remains "very speculative" as it has yet to prepare a model bye-law, and will also be consulting all interested parties, thus giving the anglers yet another chance to press their objections. Nor is it certain that the bye-

laws will be implemented, for

the water "authorities" Fishery compile the NCC report.

The second concession is likely to prove more significant. The NCC had called for the use of lead weights to be banned; the fishing authorities argued that any ban should affect only the importation and sale of weights, and the government's move, under the says of the says of the says of the says of the RSPB. "I have grave doubts whether the byc-laws can be made to stick."

The DoE arguer that is the says of t

most important point is that disapproval of lead weights is now firmly enshrined in law. The NGC, which remains unconvinced, says that it will continue to monitor the use of lead weights and will report again

next year.
Some conservationists be lieve that there are further battles to be fought, and point out that other items of anglers' hi-tech fishing equipment can prove as damaging as lead weights when discarded or abandoned. They include razor-sharp barbless" hooks that pierce a bird's skin on touch, and nylon monofilament lines that are virtually indestructble so that once entangled a bird cannot break

However, it is unlikely that anglers will be subjected to a new onslaught, as some veterans of the lead-weights campaign have grown weary of the fight. RSPB's Gwyn Williams says: "I RSPB's Gwyn Williams says: "I would be unhappy running a further campaign ending in legislation when I want to rebuild links with anglers on issues such as water pollution."

Williams believes that his main goal should now be to rebuild beidges to the anglers build bridges to the angling world, and the anglers agree. The two groups recognise that they can achieve more by working together, thus reforging the intriguing alliance between field

### Gardening

# A frost-free annual review

January primroses, geraniums for the New Year. 1986 has been a crazy year for most gardeners, reflects Robin Lane Fox.

ON ANY retrospective view 1986 was a crazy year for anyone who gets earth on their hands. It was my year for moving gardens and eventually settling in ever more ground than before.

The weather did the oddest things. It froze later and longer than usual; it rained for most of the summer, and has been beaming benignly for most of the subsequent winter. You may have shared the view haywire in 1974 with the elec-tion of the last Labour Government, and has been struggling, like markets, to recover from the shock ever since. Unless you read 1986 as a political prophesy for 1987 the theory has taken a severe knock.

What can be learned from it all? While weeding this week, I am tempted to say that we have learned that auriculas and primroses like to flower in January, that sun roses will open for Christmas, and that the Veronicas, geraniums and several roses which are advertised as flowering in June, are really just as happy to open their buds for the New Year. The array of frost-free flowers has now become preposterous. In previous years, this extra season has done its participants no harm for they seem to be willing to reset clocks and return to normal in time for next summer. It is a bonus without bother, but like some bonuses it leaves one feeling

rather uneasy.
After all, remember last
Pebruary. It did not cause damage on the scale of the winter in 1981-1982, but ruined many good stands of conifers twhatever you think of them) and made a mess of some fine runs of hedging. It made me wary of much displayed at the big flower shows in the summer. So many of the novelties are at best marginally hardy. Those handsome abutilonsand cicsuses, unusual rosemarys and ceanothuses are not a proper back-hone for gardens of the 1980s in most of the Kingdom. Nor are the lovely pittosporums which Hilliers exhibits at Chelsea year after year.

When planning gardens since the spring, I notice that I have been taking no risks with their centrepiece. After three sharp planning round a big buffress df ceanothus or a low clipped hedge of myrtle. The old division has been reasserted, between plants which persist and decorative plants which come and so. Good old box, yew and Portuguese laurel have not been surpassed as the hard core of a garden's design.

reminded me of things you probably know, that the named and that however hard the makes you forget that there is winter, the wretched little also a battle against weeds.

bitter Cress or while flowered Cardamine still flowers everywhere and catapults its seeds for yards if you do not pull it out in early April when first

A late but pleasant spring gave way to that brief forgotten heatwave in June which set many bedding plants back for the next two months. The heyday of annuals fell much later in September when the weather settled fair and dewy. In between, early July saw a magnificent run for the old



fashioned roses and August taught me the tricks of moving plants around from one garden to another.

You can move almost anything in high season if you water it very heavily for a few days before you uproot it. This year, nature did the watering. September at last allowed us

to see the point of particular annuals. The new Imperial Silver Pansy from Thompson and Morgan impressed me particularly. Its white-flowered plants come very quickly from seed and would mix well in the most refined white gardens despite the contrasting red blotches on their petals. I have already written of my

return to the old family of Cosmos daisies whose whiteflowered Purity is excellent in all weathers. May I also recom mend a very casy annual called Nemophila Maculata? It grows absurdedly well from seed and has dark blotches spotted on its lavender mauve flowers. I found it charming in a narrow bed beneath a rose pergola, where it made an edging plant even when the summer's gale blew bits of the pergola onto it.

The worst sight, for my money, was the wedge-shaped heds and ever more hanging baskets with which the local council spotted my home town, Oxford, having filled them with cerise petunias or characteriess begonias. So much for "Britain in Bloom." as if flowers per square inch are a substitute for well-planned eardening among fine

It was a year of extremes

The best sight was a walk of scented white Viburnum Carlesii grown as robust standard shrubs in the walled garden of a noted diplomat. On a late May evening their great een surpassed as the hard core heads of flower seemed like a garden's design scented snowballs on small When spring finally broke it trees like an ageing line of apples. The idea set me hurrying to emulate it. It is always blue forms of the familiar Pul- the way with gardening monaria or Spotted Doz, are inchories. They end by blocknow too good to miss, that the shocking pink flowers of the frosts and the proliferating small shrubby Prunus Tenella are lively in a spring horder, is always an evening somewhere that most of us are too blind to between May and Sentember the easy beauty of shrub willows which first returns to mind and

PHILLIPS' ANNUAL analysis of trends in the auction rooms places toy soldiers high on the list of collectibles in high demand and still showing

life, and established his own firm around 1860. He was already 67 when the firm to become its speciality and assure its fam.e Four sons and Britain junior is generally credited with developing the established.

Toy soldiers have been made for centuries in endless variety of scale and materials. In this country and America, however, most collecting centres on the 90 years' output of the firm of Britain's, a suitably patriotic name that lingers in every childhod memory.

of Staffordshire pottery makers, arms, or five cavalry to each Molten alloy—a mixture of lead, one shiling box). By the out-antimony and tin—was poured break of World Wer Two, Bri-into a hand-held mould. When tains' scets had reached series the metal around the outside of the shape had cooled and hardened, the still liquid part in the centre was poured off, leaving a light and crisply

Horses and other more combeing paid 6d per colour per 100 figures for the work.

healthy appreciation. The strength of the market will be put to the test on January 14 and 15 when 20,000 troops go into action, in the biggest toy soldier auction ever mounted by Phillips, acknowledged as the world centre of the miniature miliary market. The founder of the firm, William Britain senior (1826-

1906), was a toymaker all his adopted the new line which was two daughters all worked in business, and William technique of hollow casting, on which Britains' success was

moulded shell.

plex figures might require sev-veral moulds, of course, and the characteristic flat bases intitally oval, later square were also separately attached. Finally the figures were painted by hand-in the 1950s women outworkers were still aimed at the collecting instinct peak of imperial euphoria, the models.

by packaging their soldiers in Boer War and the onset of the Rearmament gave a whole hildhod memory.

boxed sets at a standard price European arms aree. It did not the technique was probably ten infantry soldiers, eight in- burt that the new Boy Scout inspired by the hollow-casting fantry soldiers with moveable movement issued War Games for and Britains also issued models

> The first set, The Life Guards, issued in 1893, stayed in production, in various packagings and gradualy rising prices, as long as Britains continued to make hollow-cast soldiers, they definitely went over to plastic in 1966. Even then the scries continued in the firm's limited editions collectors' series of handpainted metal soldiers, though the price is now wel outside juvenile range.

number 1.918.

hurt that the new Boy Scout Boy Scouts, Played with Model

Collecting

Military miniatures

Britains worked their way through the principal British regiments, as well as a good deal of the French army (the company had a Paris office) not to speak of the Austro-Dragoons, Egyptian Cavalry and the Ertoghrul Regiment Between the wars there was

an anti-militaristic reaction. Britains responded by introducing 200 and farm animals, and in the 1930s a series of garden accessories, from scale miniature greenhouses and crazy eing paid 6d per colour per

The soldier market had its paving to pot plants and seed

of figures for the work.

From the very first Britains

The soldier market had its paving to pot plants and seed trays. Aviation presented new possibilities for more elaborate possibilities for more elaborate

armoury were back in fashion. of the Home Guard and ARP Royal Horse Artillery, wearing khaki uniforms and steel helmets, established a record price of £7.200 for a single boxed set. The khaki appears tot explain the extreme rarity of this set: evidently boys of the day preferred the more colourful old style uniforms and

That price record will no doubt be broken at Phillips on Wednesday week by a star lot certain to stir the hearts of ever made by Britains has the price of their toys."
appeared on the market. First ssued in 1905, set 131 consisted

ready RHA.

of 275 assorted soldiers in wooden box 4 ft by 2, and far too heavy for any small boy to carry. It was originally sold for the daunting price of £4 10s.

Mostly such sets were for presentations to royal visitors to the Britain factory: this one washought in about 1908 by a mayor of Marylebone for his son. After being played with by subsequent generations of the family, it is less than pristine. As well as soldiers, Britains sold practicable cannons quite capable of decapitating a soldier; and set 131 has had several such casualties. The price will still be well into five figures. five figures.

Generally the average price for the more common boxed sets of Britains soldiers is £100-£150. depending on condition. Without boxes, prices are roughly halved. Rarities. of course, can realise many times these figures.

Sets produced to commemorate particular events can often by pricey. When Cecil Rhodes' physician and friend Dr Jameson led his buccancerpreparations. A 1940 set of the from the Hanington Collection made £1,700 at Phillips in 1984.

A number of West End dealers specialise in model and toy soldiers. Paul Collett at Grays in the Mews. Davies Mews, London W1, generally has a stock of Britains' sets, though last week the Christmas rush had somewhat depleted it. refused to buy the battle-Most dealers agree that this is an exclusively male market, with a very strong American appeal.

In another model soldier shop. wednesday week by a star for in another model soldier silon, certain to stir the hearts of Under Two Flags in St toy soldier collectors across the Christophers Place, W1, hangs world. This isthe first time that a discreet notice: "The differthe largest boxed set of soldiers ence between men and boys is

Janet Marsh

### Country Notes

# shes to ashes

**James Page-Roberts** explores the elemental mysteries involved in the

production of charcoal COULD THERE be riemental process more shrouded in myeleshrouded in mystery than charcoal-making? I doubt it. Many years ago, an old,

wooden chicken-house on my newly-acquired property had to be dismantled and destroyed. Why not, I thought, turn the timber into charcoal instead of wasting it on the bonfire?
Inquiries solicited quizzical looks, blank faces and that slight wrinkling of the brows and eyelids that could only

signal that madness was abroad. It was a case of returning to man's most primitive instincts. The process would have to be created without the hand of experience. Holes were dug into the soil. Turf mounds, like long-barrows or verdant igloos were constructed. Ventilation shafts

were devised with tiles for air place. See you in the forest, control. Chimneys, from pipes of various materials, length and

On the next day I found his diameter, were positioned. The first effort simply failed, as paper, laid for the purpose of ignition, became soaked by the moisture from the turf from the second try - leaving

Then I really believe I did angled outwards from ground make charcoal — and allowed level.

it to burn away — as charcoal. The entire process from

More hot ash. More thought.

Finally, a small quantity of charcoal was made—at the cost of much labour, brain-work, and the sight of a smoked hand (the colour of a pale tint of iodine) for many days afterwards. I wrote about it in a garden-

ing article, hoping that a reader might enlighten me (no-one did), and resolved to forget the whole affair. This I did, until I saw the maker's telephone number on the side of a 10 kg bag of excellent, lump-wood charcoal. The exchange was a local one. Bags were ordered and delivered. "Of course, come to see us at

work, squire. We use hardwood —oak and birch. Dad's been at it for forty-five years. Four helpers (interruption as he takes an order from the tele-phone in his van). Make five tons a week. Can't cope with the orders. Six weeks behind. Must rush. Got to deliver all over the

seven-acre clearing in the forest Spread around in haphazard fashion were rusty, five-inch high, onion-domed kilns. Some were filled with cut logs mound above and the wet soil at the ready, others, with earth-around. Real fire belched aloft sealed joints, radiated heat from spent fire. One or two only hot ash, not charcoal, in belched smoke and steam from a very long time to come.

leaky joints and short chimneys.

The entire process, from lighting up with diesel-soaked rag (shoved through a low vent-hole) to extracting the charcoal takes 36 hours. For its first 12-hour burn, the smoke and gases re-circulate within the kiln as excess moisture and smoke escape. The lid is then lifted to release the remaining fumes. This allows heat to build up enormously. The kiln is then recapped, vents sealed and the hot dome allowed to cool.

There are more modern methods of making charcoal that need vast amounts of capi-tal to install, and others needing nothing but a hole in the ground and carefully laid turves above. But the kilns I saw, designed by an Austrian refugee some 40 years ago, make some of the best charcoal in the world. So good is it that, when fresh, a few lumps rolled in newspaper and lit with a match will start the fire without recourse to any of these noxious-smelling liquids blunt the appetites of open-air diners.

So this most ancient art. parts of which are still a mystery to the charcoal-producers themselves, thrives in our land—and shows all the evidence of continuing to do so for



# Date lines

IN WISHING you a Happy New Year, I would like to apologise 🗳 for any inaccuracies contained in that greeting. Happy it may be, 1987 it is not. Certainly not according to

the Jewish calendar, which postpones Rosch Hashana, the start of the year, until September 24. And when it does finally arrive, the new year in question will be dated 5748 -in other words, we are at present, as the masthead of the Jewish Chronicle states, 5747 years on from the Creation,

To Buddhists, who take their cue from the death of Buddha in the sixth century BC, we are in 2529. To Moslems, we are only just over halfway through ing raid into the Transvaal in 1896. Britains responded to popular sentiment by issuing Dr Jameson and the African "Dr Jameson and the African Mounted Infantry." Later, as Jameson dropped out of the news, the set was retitled simply "South African Mounted Infantry." A "Jameson" set Moshem and from Mecca in July 622, which means that we are midway through At 1964 Sept. midway through AH 1364. Some use the Prophet's birthday. giving 1407.

A far more recent concept was that put into operation by the French Revolution. The proclamation of the Republic was celebrated by winding back the clock to zero. Out went September 22 1792; in came the year nought

The Republicans were even more revolutionary than that. The old aristocratic months also received the order of the boot. being replaced by 12 new-look months of 30 days; the five left-over days were, wisely, designated as festivals, which were sorely needed and a 10-day week was introduced.

Since French time was thus out of kilter with the rest of the world in everything from the year to the minute, the concept staggered on no further than 1806, which is why France does not consider itself today to be in the year 194. Learning from this experience, the Russian revolutionaries decided against a proposal to rewrite the date, and settled for re-writing history instead. Moscow does not consider itself to be in the year 69.

We are now at the end of AF 123, as in After Ford, the archdapitalist Henry Ford was used as the basis for this method, for which zero was AD 1863. But only in fiction, in Aldous Huxley's Brace New World. As far as I know, it was never used in the market. ing of the motor company's products.

Yet the date has been the target of Scientology, known as the "science fiction religion" on the grounds that the novels of founder Ron Hubbard made more sense than his theory of "Dianetics." It is now 37 AD — After Dianetics.

Alternatively it is the year 2237 of the Runic Era, as per the pocket diaries of the Odinic Rite, a group which worships the old Norse gods.

The months have been renamed by the followers of Odin and Co — Bonfire Night is the fifth of Fogmoon and Twelfth Night is the 31st of Wolfmoon but otherwise seem of the but otherwise seem of the standard length and frequency. It is good to know, in mystical circles where time and tide wait for no man, nor wolf, that some factors remain constant and familiar.

Jonathan Sale



Lucia van der

PENNY

WISE

Above all, keep away from the

• When the urge to shop is

almost irresistible, head for free entertainment instead. Entrance to art galleries, museums, libraries is free—

develop a serious interest in

Celtic runes/ancient pot throwing/Western Samoan culture.

Never go shopping with your best friend (have you noticed how those on a diet

are always urging you to eat— so it is with shoppers).

Get thin. If you're size ten

you can wear anything and look

wonderful Over size 14 and you need to start looking at

Avoid buying anything that might "come in useful" one day, even if it is a Jasper

Conran cashmere sweater.

Throw away your credit cards and pay for everything

Give up meat. Learn to love

Tidy the house and have a

designer labels.

thing you don't

an extra sweater.

Turn down the heating, keep

busy and wear long-johns and

• Leave the car at home and

• Never buy anything labelled "Limited Edition."

Get your hair cut at a good

• Patronise your local vegetable

market just before closing time.

Never buy anything just for

Scour the junk mail-

occasional gems lurk among the

• Give up smoking - if you

think it's impossible watch this

possibly grow it. Particularly

When it comes to cosmetics,

don't pay extra for glossy pack-aging. You might find that

Body Shop, Culpeper or super-

Put a lock on the telephone

to stop children and "friends"

Buy next year's Christmas

making out-of-town calls.

vou just as well.

presents NOW.

probably never wear it again.

hairdresser training school.

with cash.

sales. If necessary catch flu.

Keep away from shops.



# Save in style

IF ALL your Christmas presents were bought and wrapped way back in October, if you spent just what you budgeted on exactly what you planned, then this week's offering is not for you. This is for those who spent more than they meant to, much later than they'd hoped drop of the credit card bills with dread, whose January days are filled with the postpurchase depression that comes from having spent wildly but not well. In other words, this week's article is devoted to ways of spending

However, this isn't addressed to the Scrooges of this world, to those who will indulge in any amount of misery merely for the pleasure of saving a few pence here and thereit's meant for those who want to go on living just as well, enjoying life just as much but who believe they could spend what money they have more wisely.

Trying to save money in style is quite a challenge poverty may always be with

mode. In the heady days of the Sixtles when Consplenous Consumers first appeared as a labelled, identifiable species, the late Nicholas Tomalin charted the rise of a counter - movement — Con-spicuous Thrift. Though in reality based more on ques-tions of taste than sheer victory in the Style Wars—the rich were made to feel that it was more testeful to appear. if not exactly poor, at least less rich. Stripped pine and denims seemed morally

superior to Oriental rugs and conture clothing. The big difference between Now is that today it is the Oriental rugs and conture clothing that seem to have gained the moral edge. Today, when all around seem to be consuming with awe-inspiring audacity those who can't keep up feel outcast-and certainly not more taste-

whatever the pre-But there are always ways of

Designer clothes can be bought at less than full retail price, houses can be furnished on other people's mistakes, sofas covered at evening classes, jeweilery off market stalls. food at local markets instead of supermarkets.

If there is something you feel you really have to have —a camera, a boat, a pram or a bieycle-it is always worth looking in Exchange and Mart or Loot where those with a nose for a bargain can find one if they search bard enough.

The key ingredient that you can't do without is time it takes time to simmer nourishing stews out of less popular cuts of meat, time to go to auction previews, time to runmage through jumble, to make your own curtains or patch up the jeans. To each his own equation but here, for those who feel hardup and hard-pressed, are just a few suggestions for ways of cutting down without drop-ping out.

Sam Walker, 41 Neal Street, a good place to look for onder WC2 branded goods like cameras. of electrical gadgets, gardening

> Second Hand City, 297-299 North End Road, W14 Not a place to look for designer furniture but if you need a spare bed in a hurry,

a chest-of-drawers or a mirror you'll probably find something If you've been invited to the ball and feel, like Cinderella. good at stripping, stippling. you can't afford to go don't give stencilling and all those other up hope—trot along to Blax newly-fashionable trades will where women may be lucky and find lots to practise their skills Austins of Peckham Rye, 11-

23 Peckham Rye, SE15 Legendary stopping-off place for newly-weds in search of in-

expensive furniture to get them started. I've never made any wonderful discoveries myself discoveries myself but almost everybody else I know has so potter around, you never know, you may get lucky.

The Designer Depot, 176 Kensington High Street, W8 and 13 Kensington Church Street, W8 Designer clothes at discount

prices-most are end-of-line or manufacturers' samples. What you find on a given day depends on what they have been able to find—at the moment stock is a little low and the hottest number is a Calvin Klein cotton shirt at £24.50 but through their portals have passed such a third less than full retail illustrious names as Yves St. price. Many are remainders, Laurent, Giorgio Armani and many onother fashlon luminary. Worth keeping an eye on.

> The Constant Sale Shop, 56 Fulham Road, London SW3 This is where all the glossy names that form the Aguecheek fashion empire can be found a season or two later. In other words, last season's hottest Armani, Valentino, Basile or Ungaro will be found here at something between 60 per cent and 70 per cent of what it cost when it was the very latest thing. There is always a selec-tion of some of this season's less hot sellers-these sell at some

> > normal retail price. MARKETS

in bulk, but thrifty neighbours could club together and take it in turn to brave the early hours and divide up the spoils

New Covent Garden Market,

You need an entry permit (currently £2) to get in, but once there you can buy boxes of apples, sacks of tomatoes, flowers at about half the usual going rate, pot plants and so on. Don't go asking for a pound arrive much after 9 am.

Smithfield, London Central Market, West Smithfield, EC1 Here, too, you can buy only

Billingsgate, 87 West India and allowing for sales expansion in 1987.

face of adversity POVERTY is not chic. Nor was choice—makes a fine present it ever. But today the most for a shivering pauper.)

Laughing in the

disheartening thing about being poor is that the rich are sailing off in a roomier boat than ever those with proper jobs and salaries and those adrift, with no work or erratic employment, grows all the time.
"If you're so smart, why ain't you rich?" has always been a

good question. Now it comes from the pulpit. "No one would remember the Good Samaritan if he only had good intentions. He had money as well," Margaret Thatcher observed. Poverty is not just out of style, it's wrong. No excuses accepted However, it may be possible to be chic and poor, though it isn't easy, and it isn't likely to be the first thing on the poor

person's mind. The problem is one of morale. You need to believe in some-thing else. You had better be poor for a purpose.

Strange to say, there are people who earn less than they fresh fish might, accepting this as part of the way they have (more or less) chosen to live. As a free-sardines. lance writer it is to this possibly ludicrous, distinctly out-moded, group that I suppose I belong. Others are trying to direct plays, to paint pictures, to write novels or theses, or are working for political ends; some are doing nothing observable. Others are altruistic: nursing or

teaching, perhaps.

To do what I want to do, I live on very little. I have time to read and to think and to work the way I want; whether or not I am paying too much for these freedoms is something may only discover later.

Survival, not smartness, is the aim, but that includes social survival, in which appearance plays a part. It calls for canniness, for ruses. Canniest ruse of all and hardest to arrange is to come from a generously prosperous family. Next most important is not to pay the open market price for where you live. There are many ways of avoiding this. On the legal, decent and honest side, looking after houses, staying with friends, renting from contacts; squatting and manipulating the local council as best you can, on the other.

Supposing you have some-where of your own to live, making it agreeable depends in my view mainly upon simplification: getting or keeping as little furniture as possible so as to create the most space, spending any available money on spot-lights, plain, probably white walls, and simple floors. Any lector (of anything) are soon the reverse.

space for advice.

Don't buy it if you can Keeping these good-taste surroundings warm is altogether more awkward. There are no cheap forms of heating. For the poor, visiting the rich becomes a sensual experience of money. bathing you in its warmth. Poor people are also to be spotted going to libraries and pubs tional market own-brand products suit simply for warmth. As for staying in, if you have an open fire you can scavenge for burn-

It is certainly possible to eat well cheaply, since eating well generally means eating less and before, having chucked the rest eating less richly. But there is overboard. The gap between a problem, observed by George a problem, observed by George Orwell in The Road to Wigan Pier and ignored by Edwina Currie: "A millionaire may enjoy breakfasting off orange juice and Ryvita biscuits; an unemployed man doesn't."

Poor people eat baked potatoes, pasta, rice and lentils when sensible, spring rolls and chips when not. Much depends on the time you are prepared to put into it. Chef Michael Quinn recently demonstrated how well one can eat on a pension. One of his excellent recommendations was to cut such vegetables as leeks, carrots and courgettes into julienne matchstick strips and steam them briefly-delicious, stylish, modern, and much more taxing than opening a can of beans. Wonderful, cheap types of fresh fish—dabs or herring at 70p per lb—call for commitment (scaling) compared with

Many of the best English foods are cheap. In East Anglia where I live, pigeons are about S6p each, rabbits £1.60, so I hardly ever eat farmed, hormoned meat. A huge measure of mussels costs just 70p if you have the time to scrub them. while non-dyed, non-preserved oak-smoked kippers are now widely available. Chicken livers are a bargain-42p for a frozen 8 oz in Sainsbury—and can be made into a pauper's salade tiède. Most offal, except in supermarkets and except for calf's liver, is relatively cheap.

The most important economy is never, under any circumstances, inadvertently to end up eating out, through disorganisa-tion or feebleness. In this country it is likely to prove a distressing exercise. When entertaining be tough-minded enough not to be bullied by the occasion into extravagance. is an observable fact that it is the toffs who have the confidence to serve the simplest food (bangers and mash) to their friends. Everyone has a better time because of it. Copy them. Don't think about terrines. Serve simple wine (now potentially a cheaper drink than beer). Make use of supermarkets (Waitrose, Sainsbury, Tesco)

in Old Compton Street. Clothing is a more intractable extinguished by poverty and the to tell yourself you are unneed to move frequently. This troubled by fashion, but it is does not mean suppression of not true-even your mode of the aesthetic sense -- perhaps resistance to fashion ends up dictated by fashion. Sadly flushness rarely coincides with clothing. Choose carefully.

and of the price war now going

on hetween the discount houses

Two things most worth spend-(Church's brogues say), wellmended when necessary, do much for self-esteem. Funcof Northampton with cushioned soles, are tremendously comfortables, and/or you can drape able (about £34 from good workyourself on blankets. (A good wear shops, more expensive which is cheap in money, expen-

Street, Soho). The best hair few areas in which the irregucutting I know of is done at larly employed have an un-Atlas, 115 Fulham Road, Lon-qualified advantage over yuppy don SW3, costing about £18-£20. contemporaries. Libraries are

secondhand. Boutique second-Bergdorf Goodman in New Reading them for free a York, would you believe), and late is instructive in itself, so, unfortunately, are many Hold on to any available Oxfams and Help the Ageds, student ID as long as possible apparently run by leisured without scruple. Keeping comladies completely out of touch pany with richer friends is with their potential clientele, risky. How nice to be invited, problem. A few years ago with their potential clientele, risky. How nice to be invited; second-hand suits and agricul- Market stalls and jumble sales how disastrous to end up forktural tweed coats looked modish are usually better, while the ing out for some appalling—not now. It is all very well best things in most of the trattoria or a Merchant/Trans-American clothing stores are button-down shirts in generous sizes. Poor fit (ie too big) rather ously applies to being short of than poor condition tends to be

Remember, nothing bad happens if you do not go out and ing money on are shoes and buy clothes to smarten yourbaircuts. A good pair of shoes self up. Clothes are not why people love you or don't. Besides, you do much more for your appearance by keeping tional shoes look right, fit and thin and soher than by "Greasies," made by Hawkins spending any amount of money fit and thin and sober than by on padded shoulders. One reason I live as I do is

the giveaway about secondhand

blanket - Black Watch for from Christopher New, Dean sive in time; it is one of the

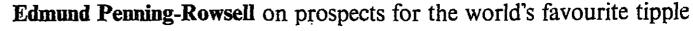
Worth it if you've got it. still free, and anyway second-With head and feet well hand books are one of the great looked after, the in-between is bargains: books were better more manageable. Secondhand made as well as better written clothes, carefully chosen, offer in the past. Why buy a Penguin the best value, though they are no longer fashionable in being World's Classic for £1.50?

Papers, on the other hand, hand shops are overpriced are a vice, aren't they? — but (Hackett now has a branch in not one you have to pay for Reading them for free a day

Everything said here obvi

cash rather than really poor. My own income is mercifully unpredictable: some weeks I dred pounds, then nothing for weeks after. Overall I suppose I live at at least double the social security rate. But for the truly poor, the long-term unemployed, there are no clever-clog choices poverty annihilates them all; particularly after a year or more of horderline life has simply so as to be able to read, used up all existing resources.

David Sexton



# Champagne aims for a bubbly '87

COMPARED WITH other wines short. The 1985 did but was producing areas Champagne is rescued by a blocked stock of extremely open with its facts. 75m bottles from the 1983 grand vin in some recent vintage might well lead to an light of the next vintage. invitation to leave by the cellar The bad side is that door, while to ask a port shipper the number of pipes he pro-duced for the last declared thing like 30 per cent below vintage is like the passing the port decanter the wrong way.

Not so the Champenois. They are happy to tell you their sales at home and abroad, what proportion of their supplies come from their own vineyards if they own them, and what are their stocks. Overall their Comité Interprofessional will tell one how much wine is sold by the merchants and how much by the cultivateurs-manpu-lants, as well as how many bottles were bought by the bored but no-less thirsty Nato forces in Germany.

It is, therefore, not difficult to deduce how champagne is doing and the answer is mixed. The good side is that the 1986 vintage was plentiful (257m bottles) though not as large as predicted, and in spite of exchange problems for their nearly half the growers are best customers, the UK and US, and some price increases, their 1986 sales are not likely co-op or make champagne themto be less than the previous year's 195.4m bottles, and as to the percentage of their might even be a little higher, crop that they have to deliver Total stocks in growers' and merchants' celiars are high 88 per cent of their engageenough to maintain the three- ment, which was high. But the

Moreover, it has been possible

tial for all reputable traders, same price and suffered

To ask a first-growth Bordeaux vintage. This stock does not how much they sold of their receive the champagne appellation until authorised in the

The bad side is that mostmerchants believe the price of the grapes for the last vintage negotiations that lake place every year just before picking. Owing to the small crop in 1985 the growers secured a 27 per cent increase on the previous year: FFr 23.05 a kilo for the grapes from the top-rated villages. But, with a big vintage coming in 1986 there was a general feeling, even among the growers, that the price would come down—a drop of 10 per cent or even down to FFr 20. In the event the price reduction was miniscule - FFr 22.19 -3.65 per cent).

The merchant houses' representatives argued for a greater reduction, but one may suspect that they were not entirely a united team. The bigger firms have an insatiable thirst for grapes, and they will pay what they regard as necessary to secure them. For although committed to sell grapes rather than send them to the local selves, the contracts are flexible to the merchants. They sold years' supply considered essen- smaller houses had to pay the

accordingly. complaint is the dispropor-"block" the equivalent of tionately high level of growers' 28m bottles from the vintage stocks, and this is encouraged in case this year's crop falls by the high prices they can



Wine

obtain for their grapes. Their stocks are now estimated at sufficient for five years' supply. while the merchants only have the necessary minimum of three years.

given in three different forms. a poor year. Alternatively, the First there is the yield per ha price may be higher. at the vintage: 11,600 kilos in 1986, of which 11,000 were allowed the appellation. To sum up the total quantity of wine produced this is given in two, or to make champagne vieces (hogsheads) of 205 themselves or send it to the coitres apiece-almost as obsolete a measure as Bordeaux's tonneuux, for apart from Bollinger and Krug nearly all champagne today is fermented in vats, usually stainless steel, of a total of 15,000 vigneruns,

The third way of measuring output or sales is in bottles or their equivalent, but the manner in which the last vintage was divided is given in pièces tionment in brackets. The mer- labels. chants secured 372,000 (228,000 from the much smaller crop) like still wines, to be kept for for the first time.

and in addition made 104,000 a prolonged period before sale, 140.000 (267,000). The reasons for this high re-

tention are two-fold, and the principal one is fiscal. There on businesses in France: by jurfait and benefice real. The first is based on a turnover not years. It involves negotiations day in selling their wine. with the local tax inspector, in this case no doubt conducted to higher returns and inflation the growers are now in the latter category.

As no tax is paid until the wine is sold, there is a lendency to spread out disposals over a number of years. For the Champagne statistics are profit may be much smaller in

Moreover the growers may use their grapes to make still wine (rin clair) that can be kept sound in vat for a year or operative which will return the equivalent number of the sparkling wine for the growers to sell under their own label. There 4,600 of these manipulants out

Alternatively they can sell profitably the champagne sur latte (literally on the laths in the bins to keep the stacks of bottles horizontal). bought by merchants short of with the previous year's appor- stocks and sold under their own

Because champagne has, un-

(65.000) in their own vine- the level of stocks is no less a The growers retained matter of everyday concern in Champagne than the sales. The whole vineyard is growing by 500 ha a year, and if a succession of large vintages occurs, are two ways of paying taxes changed economic conditions may oblige the growers to reduce their stock holdings. Also significantly the number of manipulants has ceased to rise exceeding FFr 500,000, a maximum not altered for at least 25 under the great distributes to-

For the trend among French consumers is no longer to order over a glass of champagne. The their champagne by the case, other is based on a property as has to be done when dealsystem of accounting, and owing ing with manipulants, involving between 70 and 75 per cent of small consignments. Instead they buy a bottle or two round the corner or in the supermargreatly increased in recent years. There you may spend more per bottle than from your petit fournisseur in the Marne Valley, but your immediate outlay will be less.

Meanwhile the champagne market is stable, although flat in France Last year is unlikely to be a vintage year, and 1985 will follow the 1982, now generally on sale but, many cases, I believe, bottles are worth keeping for a year or so. But to the trade their non-vintage blends are much more important, particularly in the export markets, where the only immediate hope of expansion lies.

So although it can do nothing about exchange rates (though some firms invoice in foreign currencies) efforts will be made to keep ex-Marne-cellars prices as low as possible in thehope that in 1987 world sales.

will well exceed 200m; bottles.

Ladbroke Grove, London W16 If you're looking for what the old offers the best hope of a trade calls "white goods"— really good bargain anything from a freezer to a The Dress Pound. 125 microwave—you should make Hill Gate, London WIL this your first port of call. Everything it sells is in perfect working order (and if it isn't you have the same rights as in

any other shop) but is sold considerably reduced because it is either slightly damaged (usually an almost undetectable scratch), is an end of line or is the result of somebody, somewhere over-ordering, Prices are anything from 20 per cent or more cheaper than in standard

shops, Portobello Porcelain Market, 101-103 Portobello Road, London

Here you find your cut-price china, your slightly flawed Royal Worcester, your bowls and tea- price. Many are remainders, pots. Ranges vary, depending on what has recently been less than perfectly produced. You should be able to save 25 per cent on standard prices. Mistakes, 654b Fulbam Road,

It's all a question of pot-luck -the curtains that didn't fit, the sofa that in the end didn't look quite right, the material that was over-bought can all be found here at a fraction of the original price. It sells everything from sofas to lamps, vases and tables. Everyday Gourmet, 229 Ken-

sington Church Street, London

This is to London what La Porcelaine Blanche is to Paristhat is, an inexpensive source that impeccably plain white oven and table ware that looks so essentially French. It's all very stylish so it's not rockbottom cheap but it is excellent

The Reject Shop, 444 King's Road, London SW3 Excellent source of inexpen-

sive furnishings, kitchenware, tableware, lighting, rugs. Strictly speaking little is "reject" any more but prices are good as most of it is bought in bulk and there are ends of lines 157 Munster Road, Spoils.

London SW6

of the top names. Look for chintz, for plain cottons, and here, just a marvellous selecrecently they've added some tion of the best of British knitdesigns of their own. If you're curtaining anything more than a knock-down but are noticeably tiny box-like window you can save pounds.

Music and Video Exchange, 56 Notting Hill Gate, London

If you know what you're doing and what you'd like this could be a good place to buy WCI. (and Branches)
secondliand cut-price hi-fi and
tr's a complicated seconduland cur-price first and buying here (it took my hus. Here, too, the private person band 14 hours to buy a vacuum can buy at cut-price rates. Best flask on Christmas Fuo) but if hours are thing to be the private person band 14 hours to buy a vacuum can buy at cut-price rates. Best said to be in perfect that and flask on Christmas Eve) but if buys are things like salmon, check it out carefully first and check it out carefully most are things like salmon, note you have seven days to try note you have seven days to try in mind, it's often worth it. It's days, shellfish. it out at nome. The grade not an inviting store, but then sell, too, if you want to upgrade your old system.

Marvellous selection secondhand menswear—all im- equipment, tools, utility sauce peccably cleaned and laundered pans and the like. and ready-wrapped in enticing cellophane. Suits from £35, shirts from £12. Excellent

quality and value. Blax, 8 (for women) and 11 (for men) Sicilian Avenue, London WC1

find the dress of their dreams and men will almost certainly Buyers & Sellers, 120-122 find their ties and tails. A mixture of old and new but the

> The Dress Pound. 125 Notting Here you may buy and sell secondhand clothes—all must be of recent vintage and in good condition. Better for buyers than for sellers—a good selection, worth keeping a fairly

frequent eye on. Laurence Corner, 62 Hampstead Road. London NW1. Classic source of stylish cheap chic - government surplus clothes, old and new. Khaki trousers, ideal for safaris, jackets and raincoats.

Notting Hill Books, 12 Palace Gardens Terrace, W8 123 Books here cost on the whole some are review copies and

there are always some old secondhand books which will sell for much, much less. A

bookworm's dream. Nouveaux Pauvres, 62 New King's Road SW6

A place to keep an eye onalways a selection of current fashion at something like halfprice. Most of it is samples, buyers over-ordering mistakes. unsold designs from lesserknown names and a few that are slightly imperfect. Particularly good for anybody who is clever with needle and thread.

Westaway and Westaway, 65 End-of-line fabric from many Great Russell Street, WC1 No beautiful shop windows wear at prices that are not lower than West End. Mainly aimed at the tourist market, it specialises in all those goods beloved of tourists—tartans, cashmeres, Shetlands et al.

Argos, 80 New Oxford Street,

It's a complicated business you can't have everything. It's

If you've got the time and the energy you need never pay the whack for your fruit, vegetables, flowers, meat or fish. The biggest snag of all is that you really need to buy

Nine Elms Lane, SW8

of this and half a pound of that. You don't need to be there at crack at dawn but you shouldn't

in bulk-you'll need a freezer and some like-minded friends. Worth it because prices are amazingly low.

Dock Road, E.14.

# Appetite for life

THE BONUS OF LAUGHTER by Alan Pryce-Jones Hamish "Hamilton, £12.95, 263 pages

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ANYONE WISHING to settle the old argument between Scott without a degree. He was a Fitzgerald and Hemingway as to whether the rich really are like him left the university precipitately and who remained that they have more money, will find The Bonus of Laughter to whether the rich really are like him left the university precipitately and who remained lifelong friends of his. -an invaluable source-book. Alan Pryce-Jones has spent a life-time in the field, collecting Country houses. chateaux, journalism, as did the author's behosses, milionaire's villas, partments and mansions all over the world, storing his observations in his sparklingly retentive memory. Now, distillations in the storing his retentive memory. tilled into one glorious and ? hilarious volume of memoirs, are the fruits of his exhaustive

The eyes through which all this affluence is observed are those of a literary man, a critic. an editor and a passionate lover of music. Mr Pryce-Jones was as guest of such volatile hosts.

The author learnt his literary trade under the influential Georgian poet and editor Sir John Squire whose assistant Mr Pryce-Jones was after he had left Magdalen College Oxford contemporary there of both Betjeman and Henry Green who Squire is out of fashion now but he was a convivial mentor

for Mr Pryce-Jones on the London Mercury. He warned contemporaries Cyril Connolly Harold Nicolson. Their warnings went unheeded; this was fortunate for the Times Literary Supplement of which Mr Pryce-Jones became editor after he left the army at the end of the second world war. He then took over the TLS from Stanley Morison, and enormously widened its scope and ture and restlessness that has Garden. its range of reviewers. He was also a very supportive hoss for the more junior members of that we were both in danger. much at home in the bohemian, his staff as I can confirm from We were enjoyers. We liked arty world of London before the personal experience. I can the human race we liked second world war as he was in remember "subbing" copy by movement and comfort and late appear to be secondary outlets such legendary people as hours. ... Now that he is for his life-enhancing gift; his controlled by the secondary outlets approaching his eightieth year, main creative outlet has clearly at home where the Edmund Blunden (formerly a approaching his eightieth year, main creative outlet has clearly two intersected as at Renishaw member of staff) H. M. Tomlinstill a vigorous enjoyer, the been his talent to make many among the Sitwells, or at Cap son. Clive Bell, Middleton danger must seem somewhat lasting friendships. Like a ferrat with Somerset Maugham. Murry and the vitriolic art less threatening than it did glittering tiara, his memoirs are studded with the names of the heart of the hazards of being the scintillating were the editor's are one or two books he has own all too rare reviews.



Alan Pryce-Jones, whose memoirs are published on Monday, photographed by Horst in 1938

Pryce-Jones's literary work has one opera libretto on Nelson constantly had to be set aside in favour of a sense of advenmade him so widely travelled. "Jack Squire used to warn me

with a score by Lennox Berkeley performed at Covent

We read of how Mr Pryce-Jones came to write these works; but, like his occasional bouts of weekly ionrnalism or work as a theatre critic, they published before this one, a tic and the raffish, among whom

As the book makes clear, Mr couple of volumes of travel, and he has cast his gigantically wide net. He has something perceptive, unmalicious and often highly entertaining to say about ali of inem.

He checks the flow of high spirits to tell us how and why he converted to the Roman Church, and of the tragic endings of both his marriages through bereavement. The first took him to prewar Vienna and the second to postwar Galves ton. He is exceptionally illuminating about both these cities in this wise and witty

Anthony Curtis

# After the crown

by Jeremy Potter. Constable. £10.95, 224 pages

RATHER think that the term Pretender" in the special sense of claimants to the throne, comes from the French Prétendant." In any case Queen Victoria, with her senti-mentalism about the Stuarts. would never have the Young Pretender, James Il's grandson, referred to as such: "Not in this house: we refer to him as the Chevaller." It is a fact that all the subjects dealt with by Jeremy Potter in this book, Prienders, were claimants to

The better half of the book is the latter, which relates to the Stuarts, where the author is more at home than in the earlier. The romantic cult of the Old and Young Pretenders is rather odd when one considers what they were really like-but then ordinary people hardly ever know what royals are like at home.

The Old Pretender, so far from being a romantic figure was a respectable, gloomy fanatic, not quite as stupid nor as spirited — particularly with the women - as his father. The wanderings of the Young Prethe Bonnie Prince Charlie of the '45 and "Will ye

rather romantic and make good naterial for historical novels. II, who had become quite But he soon became a drunken psychotic by the end, incomsot. and anyway apostatized potent to govern the country and had alterated the whole of England in 1750 — about 50 governing class. years too late. His father would never take this sensible step, absolutely necessary if he were ever to reign over a Protestant

The plain fact is that the Hanoverians had more sense. George I was an able man. something of which Mr Potter seems unaware; also the language of the Court was French. not German, like most Courts in Europe. Moreover, those Stuarts were every bit as foreign as the Hanoverians. Southern Europeans, dark and swarthy, not northern, fairhaired and blue-eyed.

Mr Potter makes a good remark when he says that "Marriage, not inheritance, has always been the shortest cut to fame and fortune." That holds good for the Coburgs and Battenburgs — Albert the Good and the Mountbattens. But ability and suitability, if not positive merit, have always been an element in election to the throne.

That is why William the Conqueror by-passed his eldest son, Robert, a lightweight, for the abler Rufus. That is again why the country, both Church and

broke to take over from Richard

It is silly to say that "the hetrs of Henry Bolingbroke had no more right to the Crown than the heirs of any common thief to property he had stolen." The Lancastrian line were called to the job hy Church and Parliament, the proper organs of the nation, in three generations. Moreover, they were heirs in the male line; the constitutional historian K. B. McFarlane always attached importance to this, as

they did. Mr Potter would like to think that Buckingham committed poor Richard III's murders of his nephews. There is not the slightest evidence to that effect,

But the prize for sheer silliness in this area goes to Compton Mackenzie who thought that Young Pretender's turning tail at Derby in 1745 "changed world history: with the Stuarts back on the throne there would have been no loss of the American colonies, no French Revolution, no martyrdom of Ireland, no decline of Scotland . . ," etc.

A. L. Rowse

# Wraps off a movie idol

THE GREAT advantage of questioner whose remarks are authorised ones—or over most autobiographies—is that the writer feels free to strip off the glamour and peer beneath the zealously groomed self-image. Kitty Kelley's biography of Frank Sinatra, His Way, (Bantam, £12.95, 545 pages) raises glamour-stripping to a high art. And certainly a long one. If there is a kind word about her subject in 500 pages, from either Kelley or her battery of witnesses, I could not find it. The Mafia connections, the alleged cruelty to women, the macho clannishness (epito-mised in Sinatra's Hollywood

"Rat Pack") and the offstage or off-screen tantrums are all dealt with. What is not dealt dealt with. What is not dealt with is Sinatra's talent. Kelley £12.95, 232 pages) is a valuable STORY: A TWENTIETH great performer.

is a collection of interviews time propaganda, Hitchcock and the Hollywood greats, other subjects too good to miss. Kobal is a Canadian-born bioground-level practitioners find it difficult to get published.

Jas. cyuical to be a branch of independent form, but at ground-level practitioners find it difficult to get published.

Jas. cyuical to be a branch of independent form, but at ground-level practitioners find it difficult to get published. Outlets in literary magazines irresistibly, Mae West, Ingrid The Dead That Walk (Grafton, Bergman. Marlene Dietrich, £12.95, 257 pages). A genealoss are negligible, and nublishess others: 27 are negligible. and throughout the book it is a pleasure to have an author-

unauthorised biographies over as highly-mettled as his interviewees

Michael Moorcock's Letters From Hollywood (Harrap, £10.95, 232 pages) are penned by the British science fiction writer to friend and author J. G. Ballard. Moorcock's "innocent abroad" style, laced with a little wryness, is out of Mark Twain by Christopher Isberwood. Unfortunately, it is not as incisive as either, and a place as plethorically satirised and anatomised as Hollywood needs a fresh approach or no approach at all. The best thing in the book is Michael Foreman's atmospheric watercolour drawings, which do for Moorcock what Paul Hogarth does for Graham Greene.

offers no account of or accounting for, the gifts that inspired cluster of essays on British central in the book to be written in the her book to be written in the from Andrew Higson's deft first place. The result is fairly study of the documentarycompulsive as gossip, but highly realist tradition to analytical deficient as the portrait of a star portraits of such as Diana Dors and Dirk Bogarde. In John Kobal's People Will between we hear about censor-Talk (Arum, £14.95, 711 pages) ship, music-hall influences, war-

Writing about British cinema Bergman, Marlene Dietrich, £12.95, 257 pages). A genealogy Barbara Stanwyck and some 40 of ghoulies and ghosties, it others: all talking all confess- shows how our favourite screen ing, some wisecracking. Kobal's ogres first came into being and own introduction is a class act in what bizarre movie forms in classifying his stars — and permutations they went on "Garbo's voice, like a tugboat; to manifest themselves. The Mae West's, like a vibrating best coffin-table book I have ever bed; Davis, a hedge-clipper" — read.

Nigel Andrews

William Trevor and Nadine Gordimer: short stories turned into television dramas

# Tales truly told

selected and edited by Clifton Fadiman. Picador. £14.93. 847 pages

WHEN CAN we stop mourning the Decline of the Novel and welcome the Return of the Short Story? Conditions in Britain at the moment don't seem too propitious. People pay Roth and Saul Bellow refine lip-service to its status as an comedy to the nth degree in disorder which has to be over a hatchet job on living with a come before a novel can be produced—the novel being more commercial." But markets aren't immut-

able, and couldn't one be created for the short story? You could argue that it's the ideal literary form for the modern reader. It doesn't modern reader. It doesn't able flurry at the beginning of require the same sustained the century (D. H. Lawrence, attention-span as a noyel: its Katherine Mansfield, Somerset natural habitat is anthologies. Maugham) we don't make a the literary embodiment of great showing. Graham Greene consumer choice: and it trans- and Doris Lessing chart an fers with perfect ease to tele- assured passage through stories vision—there have been unforgettable adaptations of Trevor's contribution, "A ComWilliam Trevor and Nadine plicated Nature") that you 
Gordimer. On a more metaneed have no great love for 
physical lovel Fadiman in his physical level, Fadiman in his your characters to make people introduction quotes V. S. Pritchett describing the short story as "the glancing form of fiction that seems to be right realism, Fay Weldon going for the restlessness and nervous-deftly for the middle-class ness of modern life." So why is the short story being coldshouldered?

in Mr Fadiman's home terrain across the Atlantic; he was for

many years a reviewer on the collection; Fadiman pays due New Yorker, and it's not sur-respect to Canadian and Irish prising that in his selection the writers but simply ignores the Americans come out on top. Restlessness and nervousness are much in evidence: stories by Jean Stafford, E. B. White and Joyce Carol Oates demonstrate that the short story can pack in an intensity of mental anguish which could be unre-mitting and uneudurable in a novel. Bernard Malamud, Philip order to explore the multiple neuroses of maintaining a Jewish identity in modern American society. John Cheever sets a psychological thriller in a New York commuter train, Anne Beattie does Within his geographically charismatic partner, and Ray-mond Carver performs knife-

of a child in a road accident. At this point the British reader is liable to go on the defensive. Apart from a predictwant to read about them. But where is Angela Carter with her home-grown brand of magic jugular, or Ian McEwan weavhe short story being cold-ing elegant webs of perversion?

And still on the European
They order this matter better front, where is Calvino?

What is more disturbing is the general imbalance of the

literary ferment in the Third World. He makes a gesture towards the extraordinary versatility of the short story in Latin America with the inclusion of work by Borges, Márquez and Cortázar—though Picador have already demonstrated with their recent collection Other Fires: Stories from the Women of Latin America that we have not yet had access to a fraction of what is being produced there. But not a single black African writer is represented in this collection, no one from India or the Caribbean, and only Yuklo Mishima from the East. This is the "world" of the short story in its narrowest sense.

limited parameters, however, Mr twisting tricks with the death Fadiman ferrets out some good | pionship. material, and even if his elephantine selection is not some thing you could comfortably carry on an aircraft it recom-mends itself for conditions of siege warfare or convalescence. Some of the stories are definitely re-usable, like Irwin Shaw's inauspiciously titled A Medal from Jerusalem: one night in wartime Tel Aviv between an American serviceman and a Jewish refugee from Berlin. Or Alice Munro's account of a middle-aged woman "getting over" the man she loves: too clear-sighted not to perceive the futility of her emotion, too faithful to forsake it. The resonance and spareness of these alone could but a num ber of modern novels in the shade. Is it not time that the friends of the short story wherever they are, engineered a comeback?

# Vistas great and small cottage-gardening or the dozens a disappointement

THE OXFORD COMPANION TO GARDENS edited by Patrick Goode and Michael Lancaster; consultant editors: Geoffrey and Susan Jellicoe. Oxford. £29.50, 635 pages

THE OUP is putting out dictionaries and encyclopaedias on an ever-widening number of subjects. If you like reference hooks, the Companion to Gardens is one for you. It has about 1,500 entries, some understatements and no serious inaccuracies which I can detect: 170 contributors sent in entries and so long as you expect a book of gardens, not gardening, you will find plenty of new facts.

Seven hundred gardens are discussed, many of them English landscape "gardens," and there is welcome attention to other countries, from Holland to

ignored in all its departments. or engravings: do these formare not well covered and there about real gardens, not idealis a regrettable focus on "pro-fessional" garden-design which are only 24 pages of colour illu-

Next to nothing is said about I must record that they are

This book is too biased in favour of architectural design: I see no evidence that "the recent introduction of international garden festivals based on the German models at Liver-pool (1984) to be followed by Stoke and Glasgow is beginning to provide a fresh focus for the many resources of the industry and a stimulus to new garden design." Rather, these jamborees left some shamefully overplanted trees and exhibited bits of movable international kitsch which belong in histories of Tourist Boards, not gardens.

And I must say this book seems extraordinarily expenbotanical garden, in Munich, is are taken from antique views The breeders and nurserymen alised scenes tell us enough is very evident in the section on stration. At a lower price. I totally bare of leaves. would expect less of them, but

of brilliant garden-owners who have made English gardens the of focus; the Villa Lante comes envy of the world. Arguably, out too pale, as the Jacket, dup-they have succeeded despite modern design partnerships, not because of them.

or totus, the value family founds to pale, as the Jacket, dup-they have succeeded despite licating most of the plate, reminds us; the picture of Petworth does no Justice to Capability Brown's design. The effect of the more modern scenes falls amusingly short of their captions. John Brookes's terrace with flower-pots emerged much

> of his recent book. It is very hard to do justice to the relation of plants to architecture in a photograph: here. justice, not quite as intended is done to Prehen Jakobsen's design at Stanmore and a beastly concrete jungle at Cergy-Pontoise, near Paris-

more clearly from exactly the

same photograph on the cover

Do "building complexes" have to become "larger and higher," before gardens can become "fully three-dimensional, conhailand. sive. The majority of its 250 trolled environments?" I think However, Europe's finest little black and white inserts that is designer-bosh, and symptomatic, but I do wonder why the full-page plate of Vil landry, a great bedding-garder whatever else, shows the place in early spring when the bed-are empty and the arbour.

Robin Lane Fox

# Era of a black athlete

JESSE OWENS: AN AMERICAN LIFE by William J. Baker. Collier

Macmillan, £12.95, 289 pages

THE NAME Jackie Robinson is legend in the US, but is scarcely known in Europe. A dazzling athlete, he had the distinction of breaking the colour bar of big league baseball when he joined the Brooklyn Dodgers in 1947, just as Joe Louis did a decade before in boxing when he won the heavyweight cham-

the history of modern sport rang a louder chord for his people than Jesse Owens, by virtue of his electrifying four gold medals in track events in the 1936 Summer Olympics in Berlin, some of them won under the bemused gaze of Adolf Hitler. His record-breaking victories

But perhaps no black man in

in the 100 and 200 metre sprints, the 400 metre relay and the long jump set standards that were to last for decades. Indeed, any modern super-athlete competing in those events will still find himself compared with the lithe youth from Ohio State University, despite the fact that Owens' records have long since fallen. Perhaps the most winning

aspect of his character was his beaming smile and happy nature that enabled him to weather the start of the Games. The German slings and arrows of the racist, white dominated society of his viting any medallists to his

black ghetto of industrialised Cleveland, Ohio.

What emerges from William Baker's thorough biography is just how close a run thing was Owens' participation in the Berlin Olympics. Baker recalls in detail the anti-Olympics lobby that began shortly after Hitler's accession to power and which

tion in Germany. The looming American pull-Committee President, who was visit to Germany that anti-semitism under Hitler was not all that serious and should not imperil the Games. In late 1935.

the young Owens, then regarded as America's top field athlete, declared against the games because of German discrimination against minorities. Owens' call was defused when his own coach, Larry Snyder, pointed out that black athletes had been banned from appearing at a competition in New Orleans and that, therefore, Germany ought not to be criticised.

anything, Hitler snubbed one Cornelius Johnson, a black US high jump gold medallist, rather than Owens, after the start of the Games. The German

native Alabama and later in the stadium box. With Owens' over whelming success in Berlin, the US media were having none of it, and steadily proclaimed ir large headlines "Hitler Snub-Owens," a myth which, in large part, continues to today.

Baker examines Owens's long years of public service and his tireless, but not always satis factory, acceptance of speaking grew in fervour with the introengagements in the US and duction of anti-semitic legislaabroad often in the promotion of sport. But he does not spare his readers the huckerstism that out from the Games was was to surround Owens for the blunted by the young Avery rest of his life. Owens was Brundage, American Olympic often unwittingly used by sport. and other promoters for decade: persuaded by his hosts on a after the 1936 triumph, and even consented to participating in exhibitions involving sprint

ing against racehorses. Owens was paid well for hi efforts—each year of his life (he died in 1980) he saw to i that he had a new car - bu invariably fell into the pattern that was to trouble Joe Louis by overspending and, like Louis encountered the wrath of the US Internal Revenue Service.

It is indicative of how tough the battle for racial equality still is in the US that it tool oot to be criticised.

Baker also explains that, if campaign to persuade count commissioners in Alabama it approve construction of ; granite memorial to Owens in his birthplace of Oakville, four years after his death.

Frank Gray

# **Questions** of intelligence

.. THE SECOND OLDEST PROFESSION by Philip ... Knightley. André Deutsch. ...£14.95, 436 pages

suspicions between different intelligence agencies and between intelligence and the ministers who used and distrusted it these are matters which Knightley considers in depth in his history of modern espionage. He also deals with the absurdities of the leading figures, British or American. For instance, there is William

THE RIVALRIES and mutual

J. Donovan, founder of the Anterican Office of Strategic Services, a man devoted to a life of action. Having at last manoeuvred himself into the Normandy battle with David Bruce, later US Ambassador in London, he found himself in a ditch with German bullets whizzing about. Donovan said they dare not be captured, they desperate, they should take their lethal pills. But alas neither could find the pills.

Donovan told Bruce not to worry. "If we're about to be captured, I'll shoot you first. I'm your commanding officer." With such a founder. US Intelligence was likely to keep alive the tradition of the British and to do so on a vastly bigger scale as American enthusiasm for the profession grew. The CIA was born under -an auspicious star.

Knightley thinks the essential flamboyant spirit of the

anecdote. David Bruce and an OSS unit approaching occupied Paris teamed up with Hemingway whom Bruce made an honorary OSS officer. When the group reached the Ritz Hotel, the manager asked if there was anything they wanted. Hemingway replied, "How about 73 dry martinis?"

Of course the OSS and its heir the CIA would not have come into being had it not been for Russian supremacy in the field of spying and allied arts. The Russians are not only

responsible for some of the greatest triumphs in intelligence the Lucy Ring, for example, and the penetration of the SIS by Philby and his accomplices but also, ironically, for the greatest of all intelligence disasters, the failure to understnd Hitler meant business when he massed 2m troops on the Soviet borders.

In a half-hearted way, Knightley tries to explain how this extraordinary blunder came about, how Stalin and his cronies brushed aside the warn-terested in her life as a Lake-

Knightley's account

Malcolm Thomson gether they provided a respect-

# Real Beatrix BEATRIX POTTER: ARTIST.

STORYTELLER AND COUNTRYWOMAN by Judy Taylor. Warne and Co. £12,95, 224 pages

books ... I am utterly tired of doing them," wrote Beatrix Potter to her publisher in 1919. ings of their own people and foreigners like Churchill. Against stupidity, says Schiller, the gods themselves fight in vain.

Land farmer. Breeding Herdwick sheep left her little time for new variations on Flopsy, Mopsy. Cotton-tail and Peter. In a sense, the tales had only of ever been a means to an end. modern spying is brightly writ-ten and highly opinionated. It another talented, strong-willed, will interest the lay public and displease the spy establishment | Victorian young lady whose London home-life stifled her George need for self-fulfilment. She had always drawn, she had always loved animals-put to-

books earned her enough money to buy a farm in the Lake District, her true nature established itself. She was kind but shrewd, hardworking, opinionated and conservative .. THESE D .... D little with a good idea of her own worth and strong views about other people's: "rubbish" was she described some of Kate Greenaway's work.

> Beatrix dutifully brought her aged mother to live near her but nonetheless wrote in a fit of exasperation, "My mother is refusing to die." It was a comment upon their lifelong mutual antagonism. It is in the many quotes

from letters, and from other people's reminiscences, that this biography comes most alive. by Judy Taylor, Warne and Co. biographer but not keen on interpreting her material.

Valery McConnell | repla of suction.

MY NEW Year gift is two exceptionally interesting bands from rubber bridge. The first was brilliantly played some 30

↑ A Q 6 ♡ A Q 5 4 ◊ Q J 8 \* A Q 3 ∳ 5 უ 10 ♠ K J 3 ♡ K 9 8 7 ◇AK107653 ◇ 9 4 2 + K 8 7 2 \_ + 10 5 4 S. 4 10 9 8 7 4 2 **ღ1632** \*J96

West dealt with both sides vulnerable, and opened with three diamonds. North doubled for takeout. South replied with three no trumps. South did not fancy this contract, and his

and dummy's queen finessed, losing to the king. East led back the nine of diamonds, South ruffed, and switched to the six of clubs, finessing dummy's queen. When this held, the declarer returned a low heart, East ducked—the correct \$\displays 7 \frac{5}{4} \frac{2}{2}\$ decision—and the knave won. \$\nabla 8 \frac{6}{2}\$ Leading a spade to dummy's \$\nabla 0 \frac{10}{9} \frac{8}{3}\$ ace, on which West discarded, \$\displays 2 \frac{10}{2}\$ the declarer ruffed dummy's \$\nabla 0 \frac{10}{2}\$ S

in with a trump to the king. East was endplayed. He elected to return the five of clubs. South played the nine, and West's king fell to the ace on the table. After eashing the

on the table. So South made his contract rebid of four spades ended the with four spades, three hearts, dropped the king. South claimed suction.

West's opening lead of the I call dummy play; perfectly ace of diamonds was ruffed in planned and precisely timed.

Four keen players took part was in this hand:

OAO1073 + A Q 10 8 3 last diamond, and threw East ♠ A Q J 10 9 8 ♦ 4 + J 9 7 8 5

North dealt at game to North-South and bid one heart. Fast said one no trump, and South knave of clubs, the declarer jumped to four soades. West played the two of hearts, West led his singleton club. East won throwing a diamond, and two tricks with queen and ace, covered with dummy's five, and led a third club for West East was again endplayed, and to ruff with the four of spades. for takeout, South replied with this time he was forced to lead Dummy won the neart return, three spades, and North said a heart into the major tenace and a spade was led for a

successful finesse of the queen. When the ace of spades clubs....

East said to his partner: "You ought to have ruffed with th two of spades, letting dumm overruff. You save my (pre sumed) king of spades, and you have a trump left for another club ruff."

"You're right," ugreed Wes.
"Wait a minute," said South
"I can do a bit of analysing
too. I can see that West mube trying to prevent the spad finesse. I refuse the overrunt take the finesse, and make m

All four concluded that goo defence could be countered b good dummy play, and that th contract was cold. Were the

right? East missed the defence. After making the club queen, he should lead low club for West to rult. Wes returns a heart—essential t prevent a squesse and endplo--dummy wins, and South draw trumps without loss, but he cannot avoid the loss of two

E. P. C. Cotte

# David Piper on Sir Michael Levey, the National Gallery's retiring director Farewell to artistic brickbats

DIRECTOR'S CHOICE, at the National was notoriously when the sale-rooms were benational Gallery (till 15 Febfraught with internal tensions, moaning a drying up of works
ruary), is Sir Michael Levey's internecine warfare of shifting
farewell to the invitation what the invitation of top quality whilst celebrating

of top quality farewell to the institution that coalitions within staff; director's record prices for those that did he has commanded with such success for the last 13 years. Ancillary functions — publish- the possibilities opened up — He retired this week — on ing, public relations, educa- even if, according to some, 31 December. The director of tional programmes, temporary only by a miserly chink by the 31 December. The director of the National Gallery is by exhibitions — have been sorted ever-penny-pinching Treasury definition a public figure and, out and structured, not rigidly —when the 1976 Finance Act for such, brickbats are an occupational hazard. Superior his successor. epithets have indeed been hurled against Levey, even if often by persons who have never had the responsibility of managing an institution as complex yet as specialised, as vulnerable, as a national gallery, or perhaps any institution at all. Some criticisms have had substance and could at least be supported by reasoned argument, but many have been on subjective and

and silence — in public anyway, though he is privately acutely sensitive to criticism. Levey must have a very resolute grasp on sanity. The nightmare of the Hampton site extension saga, the prospect of the noblest collection of Italian Renaissance paintings outside Italy being stuffed on top of a developer's office block, would have driven most directors up the wall or into swift mortal decline. Levey survived, to open his arms in his last months to receive the salvaging bounty of millions from the generosity of the Sainsburys and of Paul Getty Junior. Every director

ignorant opinion. Throughout these 13 years, Levey has borne

assaults with stoic indifference

even angels need persuasion. Staff and trustees together suggested the theme of this farewell exhibition, in a gesture of admiration and affection that tact and human skills of this director. Not so long ago, the

needs an angel of luck, but

gives Levey a plaform on to national institutions. The which to set out his enduring hynortic Altdorfer from Luton achievement, the acquisition of Hoo, the famous Claude of the paintings during his 13 years. Enchanted Castle that sets The "choice" is literally that Keats murmuring of magic. The new Sunley Gallery for casements and foam of perilous temporary exhibitions has seas, from the Loyd collection imited hanging space—though at Lockinge, the Rottenhammer it is difficult to imagine it looking better than it does now, negotiated thus. opened up, radiant - so that only a selection of the 79 paintwas to exclude every item power of choice was in more or less degree constrained, though it always has to be remembered that he has to succeed in "selling" any acquisition whether gift or purchase, to his trustees'

Room has been found for 38 paintings only, which has meant exclusion of some purchases besides the gifts. Those shown are simply those which range from the clarity of colour but in 20th century terms in Matisse's portrait of Greta Moll which brings the show to its

office, trustees. No more emerge Levey has exploited but flexible for development by offered some tax relief to his successor.

Director's Choice, however, treaty, rather than by auction,

Criticism may have been voiced when Levey had to go

ings acquired in his time can all out in the sale-room to buy be shown. The initial considera- for what at the time seemed vast sums - the great early that came by gift or bequest. Rubens, Samson and Dellah that is, for which the director's (perhaps the major acquisition this directorship); or, in inning contrast, the stunning exquisitely civilised yet modest charm of Wright of Derby's Mr and Mrs Coltman.

. It is extraordinary, however,

even in the present day escalation of prices, how quickly it has become apparent that these were bargains. And how the French authorities were per-suaded to let the David portrait Michael Levey likes, enjoys, the of Jacobus Blauw out of France most amongst the former. They remains a mystery of conjuring. The range overall, considering and line on gold-ground paintings of the 14th century paintings of great calibre bethrough to that same quality come available, is remarkable: major works also by Parmegianino. J. Bassano, the most recent coup of the Caravaggio of close. All respond to a com-parable degree of high quality, first secular painting by the

Among these, spart from the

rigorous insistence on standards of quality and condition, it is difficult to identify any over-riding element of personal taste in the choice. Like any good director in a growing col-lection, Levey likes to fill gaps and build on strength, preferably simultaneously (as here spectacularly in the case of the Rubens). I thought though that could trace strains of fastidious delicacy, of delicate frontes, of elegant melancholies that tend to emerge in the gene-rously catholic variety of display. It was a happy chance that brought Van Dyck's Balbi Children within reach as one of the last of Levey's purchases (again by private treaty). It is perhaps the supreme re-

velation in western art of the innate but so vulnerably fragile aristocracy of childhood, those three small figures glowing with colour on he steps of a Genoese palazzo. But for contrast — consider the elderly teutonic tots naked but for their musical instruments that cluster the air in lieu of a halo about the Virgin and Child by the Master of the St Bartholomew Altarpiece. How deeply satisfactory, yet how unexpectedly now nos-talgic, to linger in The Avenue, Sydenham, celebrated, in sunlit suburban peace by Pissarro when refugee from the horrors of the Commune in 1871.

In Drouais' Mme de Pompa dour, the sitter's head emerges from such a tide of red silk draperies, gown sprigged with pink embroidered flowers, froth of lace, that though she is seated formally to receive but there are some out and out master to enter the collection; on the elegant furniture that different in its intensity in the masterpieces, won at a time there are a Velasquez a Stubbs, the French call a canapé, the strong Spanish light.

see that it was painted on a separate square of canvas and inserted into the composition. it was started before her death, and finished after. Alongside, another sparkle of the ability that a few French artists have had, to capture wit alive on a face as if a light summer breeze over water. Artists like Houden, or La Tour - in this case Perroneau, their equal in his portrait of Jacques Cazotte. Alas. He was guillotined on September 25, 1792, but the life that the painter captured in his features around 1760 is unquenchable. Then there is the Odilon Redon, which the painted started as a tall vase of flowers erect, only to turnit on its side so that the ghost of a translucent face could observe it the better. The effulgence of colour is electric: Ophelia surreal among flowers.

Rowever, the painting which gave me the most pleasure was a still-life by Luis Meléndez, an 18th-century Spaniard who is rather rare in England. I remember lusting after one that appeared on the London art-market a year or so ago, that was stacked with oranges like hot cannon balls awaiting salvo. There are oranges, too, in this one, but more subtly presented in context with earth colours of walnuts, a dried melon, sealed pitchers; a tub, a quince, and those boxes of fragile brittle fibrous wood that are still used for things like figs or cheese. Harvest, stored against deep winter, and as a bonus for posterity. In quality the equivalent of Melendez's great contemporary in France. Chardin, yet utterly different in its intensity in the



Detail from "The Balbi Children" by Van Dyck, at the National Gallery

Victorian Evening

### ONCE AGAIN Geneva has had Offenbach for Christmas. This year's choice fell on Les Brigands, the most neglected of his major opéras-bouffe. In 1869 Offenbach was moving across the hazy border line between operetta and opera-comique. "I want situations to set to music," he told his librettists Meilhac and Helévy. "the public is tired of little tunes and so am I." They got plenty of little tunes all the same, and loved them. They loved airy, satirical ensembles casual-seeming but

cleverly constructed farrago is. set in a fantasy-Italy where Mantua lies at the foot of the Andalusian sierras. A band of mountain brigands lies in wait for the Princess of Granada, Mantua as her bridegroom, also a large dowry, part of the Mantuan debt. The meeting of the various parties at an inn on the frontier is complicated by the arrival (too late, as usual) of the Mantuan carabinieri, resplendent in high, tramping boots. What nobody knows at this stage is that the Mantuan stage cashier has blown the

dowry on women. The real target is not picturesque banditry but international high finance, still a suppose, in a city where money counts. A slight titter went round the Grand Theatre whenone of the robbers revealed that he used to be a banker, changed to banditry because he thought there would be less work and more profit but found the contrary was true. Other sallies, however, such as the brigand chief's remark, made while donning the stolen clothes of a Spanish envoy, that "a man must steal according to his pations of Carmen. Even the position in society," were once celebrated first act finale in society,"

received in silence. some good individual perform- orgy (demurely reflected some Fiorella — her warmth and ances against an indifferent years later in The Pirates of vitality made up for some of background. Alain Marcel's production is conventional. No effect. harm in that but Marcel singuharm in that but marcet singu-larly fails to reanimate or Pisani was outstanding as the role of Fragoletto originally larly fails to reanimate or Pisani was outstanding as the role of Fragoletto originally larly fails to reanimate or snakily lustful cashier, who taken by Offenbach's darling illuminate ancient operate snakily cliches. More rushing about cheerful than point or polish. One it all or exception—the appearance of Spanish party, clustered round Spanish party, clustered to the painted, effigy-like Princess, all stiffly clothed in Velasquez black and crimson. Good spurns it. Gloria-Cassis, the ingly lapsed into his native promise a cosy music-house one black and crimson.



"Les Brigands" at the Grand Theatre, Geneva

# Banditry in Geneva

poor liaison between stage and pit, no zip-this in a brilliant, light-fingered score with anticiwith the tramp of law-and-order boots interrupting the brigands' for the brigand chief's daughter. Pensance) failed to make much

snakily lustful cashier, who taken by Offenbach's darling cheerfully admits he would do it all over again if he had the chance—now he has only one voice too few. As the chieftain, the state of the chance in the c thousand-franc note left and the terrible Falsacappa, Ugo

costumes, with a cowboy touch Spanish envoy, when he turns Italian in the quick-fire dialogue. for the brigands, by Carlos up in person does not. Another Cytrynowski, whose mildly parodistic painted sets won rounds of applause.

Cytrynowski, whose mildly bright spot is Maurice Sieyes' pofaced, coldly supercilious delivery of that displayed Little help, alas, came from delivery of that dignitary's the orchestra pit, where the burlesque Spanish number—one conductor John Miner appeared in the eye for the Empress overparted. Flabby ensembles, Eugenie's friends. The veteran stylist Michel Hamel is wasted in a tiny part.

Mariette Kemmer, a soprano from the Monnaie in Brussels, has just the sap in the voice Pensance) failed to make much the things lacking elsewhere.

Heet.

Among the large cast Bernard tenor, is given the breeches

How many British Consuls General have bought land, built a concert hall and presented it to the city of their posting? Daniel Fitzgerald Barton did that in Geneva in the last decade of the 1890s, naming his creation after his sovereign. Two years ago the Victoria Hall was badly damaged by fire. Restoration (newspapers assured the public that all the money came from insurance) has no reached the stage where oncert life can be

The architect Camoletti used monumental neo-everything: Magic Flute classical for the imposing facade, bosomy renaissance for the auditorium. Here the ceiling is still provisional, the upper balcony mostly closed and the organ on its way, but there is enough chocolate and

would grow fond of, unlike the South Bank hall named after Victoria's great-great-grand-

daughter. In this unfinished state one can hardly judge the sound, but the Suisse Romande Orchestra subscription concert I went to (conductor Okko Kamu, solo pianist Stephen Bishop-Kovacevic) suggested immediate impact, a little brash, not dry. The big tuttis in Nielsen's Fifth were not clear. In less strenuous pages the wind sang out well. The OSR strings were stronger on tone than articulation, as one noticed in Mozart's K503. Mindful of Andrew Porter's recent strictures on this page about the miseries of New York concert-going. I looked for creature comforts and found an adequate bar and a large coffee-counter. No bookstall, but this part of Geneva is full of excellent book

and music shops. Ronald Crichton

## The Prisoner released ONCE PAST the mandatory torical aros, and you should help (a mistake). season of peace and goodwill, make 1987 your year for stock- Video Gents). William Wyler the video companies tear off ing up your library of classics, directing Bogart down stylishly their Santa Claus beards and With colorisation a very present mean streets. Foreign Con-reveal their darker selves. All threat, how Jong before black-respondent (Video Collection):

reveal their darker selves. All threat, how long before black-those thrillers and shockers they and-whie versions of vintagepatiently held back while we films are swept off the shelves? were all carolling round the Will we soon have to watch Christmas tree can now be Citizen Kane, Casablanca or brought out, as with a primal scream we enter 1987.

tunity for a brilliant and endear-

there is an abridged Break In

(Listen for Pleasure 7260), very

tense and read with debonair grace by Nigel Havers. This

is the story which immediately

preceded Francis's newest, Bolt,

and is about the same people.

For almost any of the 181m

who watched the 1986 World

Snooker Championship on TV, there is Snookered (abridged, LIP 7270) by Donald Trelford.

editor of The Observer. Heart-

stopping moments in the game,

sketches of the towering players

who dominate it, surprising insights into the televising of

it-one director said, ". . . it

feels like jet-lag at the end of a tournament"—and Robert

Out of Africa (abridged, LfP

Leading the danse macabre is puces? The Prisoner (Channel 5). Here at last are all 17 episodes of TV's splendid 1960s wild clues chase. Patrick McGoohan charges around surreal Portmeirion in an anyone-for-tennis blazer, looking both dapper and deeply alarmed as nightmare closes in. The whol enterprise suggests Dr Who reinterpreted by Jorge Luis Borges with acknowledgments to Aeschylus' The Eumenides. But as well as being eclectic it is electrifying.

Among other newly-cassetted chillers we have Smooth Talk (Odyssey). a powerfully eerie tale of growing up, with Laura Dern as a flirtatious teenager in danger of getting what she asks for: The Naked Prey (CIC). Cornel Wilde's fine 1962 adventure thriller starring him-self as a white hunter hunted by African natives; and the erratic but intriguing Captive (Virgin), Paul Mayersberg's tale of a Patti Hearst-type kid-nappee (Irina Brook) who learns to love the hand that torments her.

FOR THOSE with money left over from Christmas, there are presents galore among the recent Spoken Word re-leases. For readers of bio-leases. For readers of bio-leases. In Geraldine James's languo- company, The Turbulent Term graphy, or lovers of Victoriana, rous reading the terain, the of Tyke Tiler (CC031) by Gene Kikuyu servants, the wild Kemp for the fine to twelves, animals, and Blixen herself are read by Michael Cochrane, has dream-like. An unusual and the best surprise ending yet but I warmly recommend An Even-ing with Queen Victoria (Argo 418 147-4). The Queen is at Osborne, looking back over her is super all through. Both are long and eventful life from girl-

attractive issue. is super all through. Both are Christmas demands shost two-cassette sets. Twelve stories hood to extreme old age (and stories, and Sir Michael Hordern of Worzel Gummidge by Keith reads another selection of four waterhouse and Willis Hall are from M. R. James in A Warning read on six cassettes (available the consolation of a camphor lozenge); with interludes of music she has particularly enjoyed (tenor and "grand to the Curious (Argo 418 045— separately) from Conifer planoforte"). This clever com- 4). The Rose Garden chilled me Records (KC001, KC002, etc) pilation drawn almost entirely most, but A Neighbour's Land-read by Jon Pertwee. Worzel from Queen Victoria's own mark came close. The other two journals and correspondence, gives Prunella Scales the oppor-uncommon Prayer Book; read cassettes in a box with E. H.

Mary Postgate discovers A Room with a View (Argo 418 153-4) is a well-abridged plenty of variety and version of E. M. Forster's ravishgood quality among the ingly well-written novel of 1908. recent releases of read with intelligence and charm by Judi Dench, who played Miss Eleanor Lavish in spoken word recordings the recent film Another Lorch, Listen. For Dick Francis fans to perfection by one of the

finest readers in the profession. Robert Hardy reads another four of Conan Doyle's tales of Snerlock Holmes with robust good humour in Adrentures of Sherlock Holmes (Argo 418 141 -4), including a story of 19thcentury terrorism in The Fire Orange Pips. All the above are two-cassette sets.

two single cassettes from the English Department of Keele University which the Confer Ltd. Horton Road, West University which the Confer Ltd. Horton Road, West University which the Confer Ltd. University, which is recording Charles Tomlinson reading all his poems. Charles Tomlinson Reads His Poems and Charles EMI Records. 1/3. Uxbridge Tomlinson Reads His Stoke Poems (both unnumbered) are selections, each poem introduced Powell's reading make this set by the poet/professor himself:

London WS TTJ Tel. 01-253 -0863: University of Keele: For children of all ages, Dick Reele, Staffs.

directing Bogart down stylishly The Maltese Falcon decked out in greens, blues, ambers and

Nigel Andrews reviews new videos, which centre on thrills and shocks

filing under T for thriller. Other collecting suggestions, in other genres and categories, will following in coming months.

The Secret Agent (Video Collection); frisky early Hitchcock, with Gielgud as Maugham's Ashenden enjoying quips and espionage across Europe. Journey into Fear (Video Collection): Orson Welles co-scripting and starring in a Nazi thriller florid with menace. Isle of the Dead (Video Collection): vintage spine-tingler marconing Boris Karloff and others on a quarantined plague island, where ghoul meets buoy. Gaslight (MGM/UA); Ingrid Bergman wondering why things go

from Hitchtock - murder, intrigue, windmills and the best air crash at sea ever filmed. The Maitese Falcon (Warners): four immortal stars — Bogart, Astor, Lorre, Greenstreet—in search of a bird. The Birds With this in mind, here are (CIC): several thousand birds eight key works for libraryin search of a star (Tippi Hedren). Among newer movies now on video, the spriphtliest premiere

Shepard illustration, David Davis (once 'David' of BBC's Children's Hour) gives an ideal

reading of Kenneth Graham's

The Wind in the Willows,

unabridged.
This is the one recording of

this perfect book that all ohildren and their grown-ups

should hear. A more modern

classic, Watership Down by Richard Adams, superbly read

by Roy Dotrice, is once more available. Full-length, with George Butterworth's music, on

three cassettes from Conifer

Records (MCFR 119/12); or as

excerpts on one cassette (MCFR 117).

Argo: London 'Records' Ltd.

15 Saint George Street, London

to Cover Cassettes: Freepost, Marlborough, Wiltshire, Tel: 067 286 495; Listen for Pleasure:

Road. Hayes. Middx UB4 0SY;

Unicorn Kanchana: Harmonia

Mundi (UK) Ltd. PO Box 339,

is American Flyers (CIC), not seen yet on big screens. Steve Tesich, playright and screenwriter (Breaking Away), scripted this touching and comical tale of two brothers sparring at college and then competing in a national bicycle race. Death is in the air. for one of the brothers is dying of a hereditary illness (unfortunately, one those unnamed Hollywood diseases usually diagnosable as "plot contrivance"). But director John Badham (War Games, Short Circuit), keeps the maudlin at bay, and there are spendid performances from Kevin Costner and David Grant.

Chess solution No. 653

R-KB4. If KxN(R1); 2 R-QBS, or if KxN(RS); 2 R-KR4, Meanwhile video's dragnet is bump in the ceiling and turning of if PNN: 2 R-QB8, or if P-N4: sweeping in ever wider his- to husband Charles Boyer for 2 R-QB6, or if P-N3; 2 R-KB?.

### through to the end. After French Without Tears on Christmas Day, we had more Terence Rattigan last Saturday. The Winslow Boy, more on Tuesday, In Proise of Love, and more on New Year's Day, Bequest to the Nation, all of them repeats. Of these, I chose to hear In Praise of Love, if not Rattigan's best play, certainly his best-written. Reduced to an hour, some of the best speeches are lost, but the moving quality

NOSTALGIA saw the year

of the story survived well in the production, with Anthony Quayle, Murial Pavlow, Robert Beatty and John Bull in the four parts. The uncredited adapter had played some odd adapter had played shought little games; Lydia thought than Illracombe, Brighton, would be nice for her The Cruttwells had moved from Islington to Hendon, Mark was not a democrat

but a radical. Then there was J. M. Barrie. I missed Peter Pan on Boxing the persistence of character in Day, which the BBC claims was any circumstances. In Dear the first production to cast a boy as Peter, the Royal Shakespeare's players being presumably too old. On Monday came the Admirable Crichton, that

# Nostalgia has last say

continued to sound like butler, even after his natural gift for leadership had made him the commander of the island, and so he should. detected a touch of exaggeration among the smart ladies, both and more than a touch from Elaine Claxton as Tweeny, and this is right too. Caroline Raphael directed.

There was What Every Woman Knows on New Year's Eve, in a repeated production from Scotland; and Dear Brutus on Friday, Not having heard the plays so close together before, it had not struck me that the theme of Dear Brutus was the same asthat of the Admirable Crichton, play these days, the members of a house party invited by the mysterial Lob, take a walk into conservative essay in a mysterious wood that appears distinction. Kenneth every midsummer available

# Radio

shipwrecked party on their here is longing for, a second chance." In some cases this leads to a change of fate; in before and after the shipwreck, others, a fugitive change gives way to a return to former circumstances. It depends on the charactèr.

In the Barrie plays, except for the Scottish production, Alec McCowen plays the part of Barrie. You may say that Barrie has no part in them, but you would not say that if you had read the stage direcstealing about among the flowers to give them their last instructions, has left a smile upon them, but it is a smile with menace in it." Mr Brutus, not a very familiar McCowen can cope with that The play was directed by Stuart Owen, and has specially composed music by Richard

the Admirator essay in a mysterious wood that appears highly conservative essay in a mysterious wood that appears coil distinction. Kenneth every midsummer eve. In the coil distinction. Kenneth every midsummer eve. In the coil distinction wood, "you get what everyone Emma, made into a six part ful young Duchess of modest

serial by John Tydeman and broadcast between Christmas morning and the following Tuesday. It was followed by Persuasion dramatised in seven parts by Michelene Wandor, beginning on the following Wednesday. With the holiday post as it is, I heav heard only the first instalment of this, and found it very good. The characters are simple but sharply drawn, like figures in a woodcut, and Vanessa Whitburn's production is like a prettily illustrated edition of the novel. which happens to be one of my favourites. The music on an 1810 square piano sounds tions. Consider this extract exactly right behind the confrom Dear Brutus: "Moonshine, versation.

All the plays I have men-tioned so far have been on Radio 4. If you want to go back another couple of centuries, there was John Ford's Love's Secrifice on Radio 3 on Tuesday. This is said not to have been publicly played since the middle of the 17th century, but

birth, with whom his friend Fernando at once falls in love. After a ceremonial put-off, she in turn falls in love with him ("Be satisfied and ruin me !") But by now Fernando has decided to love her only mentally. The Duke's court is a hive of lechery; Ferentes has three ladies-in-waiting pregnant at once, and rightly enough they kill him, in the presence of the Abbot of Monaco. The sinister Secretary D'Avolo tells the Duke what is happening, and the Duke stabs the repentant Duchess but afterwards comes to believe in her innocence. Fernando, however poisons himself, so the Duke has lost his two best friends out of one misunderstanding.

. The play, directed by Caroline Raphael, is worth getting to know better. The stage could deal more fully with Roseliil, for instance, who is exiled in the first line, but comes back to the court disguised as a half wit fool. Excellent playing by John Shrapnel, Stan Thomas, Ian Lindsay, Karl Johnson, Anton Lesserand indeed the whole 14 of them.

# WEEKENDFT

Jason Steger reflects on the causes of Australia's latest cricketing disaster

AS ENGLAND and Australia clashed in the Benson and Hedges Challenge Cup series in Perth this week, one indisputable fact had been realised by Australian cricket fans: their side had replaced England as the world's worst cricketing nation. And what is more, the Australians really had only themselves to blame.

For the ordinary Australian, these are tough facts to face up to. Even Bob Hawke, the Prime Minister, as obsessed with sport as most Australians, found the Ashes defeat hand to take the content of the Ashes defeat hard to take: at a celebratory dinner for the victorious Davis Cup tennis team Hawke said the best thing would be to forget the cricket

ingly the knives are now out st about everyone with the naional side. for just involved wi If the Australian selectors are to come up with better players, it is hard to see quite where they can look. The "rebel" side currently touring South side currently touring South
Africa has deprived them of the likes of fast bowlers Terry
Alderman, Carl Rackemann, and former test skipper Kim Hughes, all of whom would have made a left for any would he test for any woul

# A good case for amnesia

team.

England haven't beaten Australia within three days in Australia since the first test at Sydney in 1901-02. And not surprise are doing so decause they raised the first test at Sydney in Indeed, at the top level. Despite talk of Bruce Reid, who led the Australia attack at Melbourne, has tain Dirk Wellham (who extralia since the first test at Sydney in 1901-02. And not surprise Bill O'Reilly thinks should be in his current position.

former test skipper Kim Hughes, all of whom would have made a significant difference to this series.

Those test-experienced players playing Sheffield Shield Cricket are doing so because they failed the top level. Despite talk of recalling New South Wales capabout young enough to be an investment for the future.

The Australian selectors, Greg Chappell and his col-

even played test cricket, must Cricket Board has come under also take some blame for the current state of affairs when current state of affairs. They made a mistake with their denial of Border's request for a 13-man squad and then damned themselves further by selecting Greg Matthews ahead of batsman Greg Ritchie. No side going into a crucial test can really hope to win with only four front line batsmen. The selectors must surely now give Border a voice in the selec-tion of the team he has to lead.

pective of results. ACB is also criticised for its need to make money prompted by the deal with Kerry Packer's PBL Marketing with the consequent destructive dependence on oneday games to attract crowds and provide excitement; especially since the board lost about A\$500,000 (£240,000) as a result of the curtailed Melbourne

For England, however, the one-day games, while still important, can provide a chance for relatively unplayed tourists such as Wilf Slack and Neil Foster to get a game.

Foster to get a game.

England have done the jobs they came to do and although they have had a lot of help from the sadly inept Australian team, they have discovered a new confidence. Chris Rwad, Jack Richards and Gladstone Small have come good at the right time and appear to have long futures with the England

England can now afford to forget the disappointment of last summer's defeat by India and New Zealand and look forward to this summer's visit by Pakirsan

England captain Mike Gatting says there will be no deficulty in motivating players for the current one-day game, but it is current one-day game, but it is hard to see the West Indies losing either of the competitions, despite their defeat in the opening game. And if they do lose the Challenge Cup it is equally hard to see either England or Australia lifting the trooby.

Nevertheless. England can test their newfound confidence while Australia can hope to regain some sort of credibility. And the Australians can take comfort that, other than the formality of the Sydney Test. they have only one-day cricket, iney have only one-day cricket, in the shape of the two home competitions and the World Cup next summer, to look forward to before the arrival in November of the touring New

# Nicholas Keith bemoans the state of Welsh rugby

# Mediocrity amid the violence

THIS decade has been a desert drawn with Bridgend. The great for Wales as an international names of Llanelli and Swansea the English international panel, rugby power. The absence of titles since 1979 is a serious inspire awe.

Mr Quittenton, a member of the English international panel, was reported as saying that, in the work of the saying that it is a saying that it is the work of the saying that it is a saying that it is the work of the saying that it is a saying that it is the work of the saying that it is a saying th blot on the record of a country where rugby is the undisputed national game. For Gerald Davies, one of the stars of the seventies, "Wales have remained a middle class team, neither coming top nor bottom. To remain mediocre is to flourish in the land of no comment; to pass by unnoticed."

In the seventies Wales shared the title in 1970 and won it outright in 71, 75, 76, 78, 79; they won the Grand Slam in 71, 76 and 78, and added the Triple Crown in 77 and 79 (to give them four in a row). And what was held to be the secret of their success? The strength and organisation of their clubs, for one thing.

In 1969, the Welsh started against Scotland, and in that team were the makings of a great one: the half-backs Barry John and Gareth Edwards; Davies himself among the backs; J. P. R. Williams and Mervyn Davies among the new caps. They won the Triple Crown and the championship.

Now the major clubs all seem unsettled. Cardiff regained the Schweppes Welsh Cup last season, but lost Terry Holmes to professionalism, (and Robert Ackerman) and Gareth Davies retired. This Christmas they have lost to Pontypridd and

drawn with Bridgend. The great Mr Quittenton, a member of

Pontypool won the Western Mail club championship and the Whitbread Merit Table for a third year in a row, but three successive defeats at the end of last season have presaged a dismal first half to this in the English/Welsh table, with only 25 per cent of victories. Their latest failure has been against South Wales Police after Christ-

Whether it likes it or not, Pontypool has been overtaken by the Bishop affair. The club stood by its scrum half, but when Bishop's case went through the courts and he was found guilty of assault in an off-the-ball incident, the Welsh Rugby Union reluctantly stepped in and banned him when his club would not.

Violence never seems far dent involving Paul Moriarty against Richmond, as well as Roger Ouittenton's remarks about refereeing Welsh clubs. After Chris Mills, of Richmond, had been punched, Moriarty was banned by Swansea, and the selectors, and has only returned to the Welsh squad this

whip them like animals." Newport complained bitterly; Mr Quittenton said that his remarks had been misquoted and taken completely out of context. Eventually this ex-

With everything somewhat unsavoury, enter John Scott, of Cardiff. He is an Englishman who won 34 caps, captained his country and has played for Cardiff for nine years. (Nor is he a complete saint, if truth be told.)

planation was accepted by the

"Violence? I accept that it seems to be coming out into the open. But the awareness is far greater. Violence is not worse in my view, but every senior game down to the West Welsh League is watched. We must not lose sight of the fact that rugby is a physical game, and each case away. On one Saturday in of violence must be judged on November there was an inci- its merits."

that the hard men, who undoubtedly exist in many top rugby clubs, are rooted out at that level. 1

However, Scott may be right champions, when he says: "Wales, like Eng. for Davies. land, have strength in depth.

As you get older, it's easy to say that things have changed for the worse and that 'You don't find characters any more. Jonathan Davies and the Moriartys are characters."

That brings us to the one club and player whose names are being spoken with hope and reverence in Britain as we aproach the World Cup this summer. The club is Neath and their captain is Jonathan Davies. In 1986, his first full season for Wales, Davies captured the imagination at stand-off and was voted British player of the year.

It may be that too much is expected, but he has a calm vision for Wales. He believes that the Welsh should have confidence in themselves and in their ability; that in the dressing room they should not have any of the concerns about the opposition they have had. "For goodness sake, they should be worried about us. That's the attitude to have."

With Paul Thorburn to kick That is where the spectators part company with Scott, who has a forward's view. It is vital and Lyn Jones, Neath have cartrio of Philip Pugh, and Mark or Paul Moriarty. Let us hope and Lyn Jones, Neath have carthur "right 15 guys are picked." ried all before them, winning The French and the Australians (before New Year's Day) 19 out have shown us that the speed of 22 matches. That includes the and skill needed for interone against Bath, the English nationals is, in fact, difficult champions, which was a triumph

After refereeing Newport's It's a question of getting the month, when the Possibles beat than Davies, and the cheek of reach the semi-finals at the US game against London Welsh, right 15 guys and a coach out. the Probables without their it transports you into 87.



Scott: bloodstained

trimmings: no Devereux, Davies from the simple 9 and 10 man club tactics of Pontypool and Forget the Welsh trial last Bath. It is the dream of Jona- grand slam performance was to

# Lendl leads the way

even before his crushing defeat surprising for such a normally daughter's advance to the same of Boris Becker in the Nabisco consistent performer. He did masters final, Ivan Lendl had win the tournaments in Brussels as her semi-final finish in Paris, and unassailable claim to the different advance to the quarter and but her advance to the part of the same of the consistent performer. The Czech's two grand slam titles (Paris and New York) against Becker's one, at Wimedon (where Lendl was the beaten finalist), outweighed the 19-year-old German's 2-1 advantage elsewhere against the world champion.

Besides, Lendl won eight tournaments from 11 finals and lost to only three other players all year-to Yannick Noah at Forest Hills, Kevin Curren in Toronto and Stefan Edberg in Tokyo; whereas Becker won six tournaments and had 12 defeats, only two of which were in tournament finals.

In third place, Edberg had a marginally better season than Henri Leconte, with three tournament wins from seven finals and Scottsdale. However, his against two wins from only one grand slam outing, in New three finals for the Frenchman. York, was a total disaster. Crucially, Edberg won their only meeting, in the penultimate round in Stockholm. Leconte, however, was a grand slam semi-finalist twice — Paris and Wimbledon — against Edberg's once in New York.

If Joakim Nystrom had added to his five early tournament successes he would have ended higher than No 5, but his best

top position among the men. completely in the grand slam finals at Wimbledon, and her events, failing to pass beyond the fourth round in any.

Noah's two wins at Forest Hills, where he beat Lendl, and Wembley put him just ahead of Andres Gomez.

The last place goes to John McEnroe, last year's No 2, who missed two-thirds of the season by choice and then won three tournaments on his come-back in Los Angeles, San Francisco

John Barrett assesses the performance of the world's top-ranking tennis players

Once again, Martina Navratilova totally dominated the women's game. She was in a class of her own at No 1 but Chris Lloyd at No 2 was hotly assailed by Steffi Graf. The 17-year-old West German beat both higher-ranked women for the

first time and, all told, won

eight tournaments from 10

In fourth and fifth places are the two Czechs, Helena Sukova and Hana Mandlikova. Sukova

formances of tennis's top stars have dropped to No 7 from No during 1986, it is clear that 3 at the start of the season was would have been proud of her daughter's advance to the same tournament win in Montreal.

Mandlikova nearly equalled that record by reaching the Wimbledon final and the French semi-final but in New York, as the No 4 seed, she had a bad loss to Wendy Turnbull. Furthermore, she failed to win a tournament all year.

The teenage Argentinian. Gabriella Sabatini, and Pam Shriver had almost identical seasons; and although the American did win a minor tournament in Newport, she did marginally less well in the major championships, reaching only the quarter-finals in New York against Sabatini's advance to the semi-finals at Wimbledon,

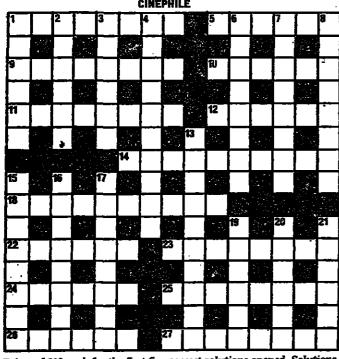
1986 WORLD RANKINGS Men: 1, 1. Lendl (Cz); 2, B. Becker (W Ger); 3, S, Edherg (Swe): 4, H. Leconte (Fr); 5. J. Nystrom (Swe); 6. M. Mecir (Cz); 7. M. Wilander (Swe); 8. Y. Noah (Fr); 9. A. Gomez (Ecu); 10, J. McEnroe

Women: 1. M. Navratilova US); 2. C. Evert Lloyd (US); 3. S. Graf (W Ger); 4. H. Sukova (Cz); 5, 11. Mandlikova (Cz); 6. G. Sabatini (Arg); 7. P. Shriver (US); 8. Z. Garrison (US); 9, M. Maleeva (Bul); 10, K. Rinaldi (US).

Biscuitmen, 8.35 Concort, part 7. Shostakovich (Symphony No 5) 9.20

Metaphors or Mallets (writing short South Africa), 10.00 Chambor Music from Cambridge, Wabern (S Move-ments Op 5), Birtwidle (Clarent

### FT CROSSWORD PUZZLE NO. 6,217



Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

Each across solution contains a tree, which is disregarded in the subordinate part of the cive.

down ? (6)

Solution to Puzzle No. 6,216

Solution and winners of Puzzle

No. 6,212

COMPLICE LIMDOM

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UODDET IDEALERS

Worcs: Mrs D. E. Ward,

Letchworth, Herts; Mr D. Brodgen, Northampton.

ACROSS 20 Stand up to sit again about a 1 Island in the town hall (8) second (6) second (5) Sarment for physical educa- 21 Gambied and got pegged.

tion (6) 9 Wild roses in the town hall (8)

10 An upper-class stables that were dirty (6)
11 Went to law about queen 12 Junction with Mars, maybe

14 Goodbye to food at length (4, 2, 4)
18 Little weight around invalid is what keeps him going

(4, 2, 4) 22 Hill in Devon (6) 23 Dispute a house charge (8) 24 Garments deposited at 150 south (6)

25 Piece of verse on haystack (8) 26 Weaponry for ship (6) 27 Motor-cyclists should troubling the editor (8)

DOWN I Nearly gone to St. Malo? (6) 2 Recover from addiction after

3 It's most unusual for painters to pause (6)
4 New bar with new ales to blame? (10) 6 Matched by sudden storm,

topless, in rising river (8) Romance in bottom of river? Don't rise (3. 2. 3)

8 Motorway madman covers cathedral in great detail (8) 13 Tending to corrupt by enthusiasm about silicon (10)

15 Very short time for a pair of bloodsuckers (3, 5)

bloodsuckers (3, 5)

16 Would you say it's a locker for a halo? (8)

17 Agressive person confuses

18 T. Harvey, Breasten, Derby; Mr M. J. Atkins, Watford, Herts; Dr C. Shute, Kidderminster, 17 Aggressive person confuses cake with tart (8)

19 Ponder with hesitation where to show valuables (6) Brodgen, Northampton Christmas Puzzle solution page VIII



SATURDAY

BBC 1

8.30 am The Hunter. 8.35 The Muppet Bebies. 9.00 Saturday Superstore. 12.15 pm Grandstand including 12.45 News: 12.20 Football Focus; 1.00 Racing from Newbury: 1.10 Motorcross; 1.30 Racing; 1.40 Motorcross; 2.00 Racing; 2.10 Basketball; 2.30 Racing; 2.40 Basketball; 3.20 Motorcross; 3.50 Helf Times; 3.55 Cricket; 4.35 Final Score. 5.05 News. 5.15 Regional programmes. 5.20 Perfect Strangers. 5.45 Jim'll Fix It. 6.20 Hi-De-Hi I 6.50 Bob's Full House. 7.25 The Paul Daniels Magic Show. 8,10 Bergerac. 9.05 Carrot Confidential. 9.40 News and Sport. 9.55 Cagney and Lacey. 10.40 Film: "All

fidential. 9.40 News and Sport. 9.50 Carnot Confidential. 9.40 News and Sport. 9.50 Cagney and Lacey. 10.40 Film: "All The President's Men," starring Dustin Hollman, Robert Redford, Jack Warden and Jason Roberds.

BBC 2

10.45 am-12.40 pm Open University.
11.25 Film: "Kiss Me Stupid," starring Dean Martin and Kim Novak,
13.30 Film: "The Apartment," starring Jack Lemmon. 5.30 International
Bridge Club. 6.90 Cricket: The Parth Bridge Club. 6.00 Cricket: The Perth Challenge. 6.45 Newaview. 17.25 Jazz At The Philharmonic. 8.20 Loose Tubes. 9.15 Jazz Sounds 86. 11.00 The Charlie Watts Orchestra. 112.00-1.45 am Film: "Sven Klang's Quintat." (Swedish film about jazz. based on LONDON

9.25 BMX Beat International; The Charry Coca Cole Freestyle Championships.
9.50 Disney Certoone. 10.15 Feature Film: "The Golden Voyage of Sinbad," starring: John Phillip Law. Caroline Munro and Tom Baker. 12.00 News.
12.05 pm Saint and Greavsie. 12.30 Wrestling. 1.20 Chips. 2.15 Snooker (Mercentile Credit Classic) and Darts (MFI Birtlish Open). 4.46 Results Service. 5.00 News. 5.05 Block-busters. 5.36 The A-Team. 6.35 People Do The Funniest Things. 7.00 Feature Film: "Superman III." starring Christopher Reeve and Richard Pryor. 9.30 News and Sport. 9.46 Clive James on Safari. 10.40 LWT News Headdines followed by Snooker. 12.15 am Gles-9.25 BMX Best International; The Charry ollowed by Snooker. 12.15 am Gies-

CHANNEL 4

CHANNEL 4

9.25 am 8ow Balls. 9.40 "Gypsy."
starring Rosalind Russell. 12.15 pm
isaura The Slave Girl. 12.55 South
Seas Voyage. 11.55 "It's a Date."
starring Deanna Durbin. 13.50 "The
Man who broke the Bank at Monte
Carlo," starring Ronald Colman. 5.05
Brockside Omnibus. 8.00 Samson and
Delilah. 6.30 The Great Australian
Boat Race. 7.00 News Summary followed by Night Mail 11. 8.00 Anne of

beritone saxophonist Lars | Green Gables. 9.50 The 2000 Year Old | GRANADA | Man. 10.00 Hill Street Blues. 11.00 | 1.20 pm U House of Myr

ANGLIA

S4C WALES 9.25 am Featurs Film: "Sholay" (Flames of the Sun). 12.25 pm Feature Film: "The Blue Bird," sterring Shrulay Temple with Eddie Collins, Gale Sondergaard and Nigel Bruce. 1.55 Queen. 3.25 Quest for Beauty. 4.55 Great Dorset Staam. 5.40 Anne of Green Gables. 7.30 Newyddion. 7.50 Sion a Sian. 8.25 Bwrlwm Bro. 9.20 Y Maes Chwaras. 10.30 Soap. 11.00 Big Mix. IBA Regions as London except at the following times:—

BORDER 1.20 pm Knight Rider.

CENTRAL 1.20 pm The Bionic Woman. 12.15 am Central Jobfinder. CHANNEL

CHANNEL

11.59 am Today's Weather. 1.20 pm
The Fall Guy. 2.15 Comedy Classic:
Please Sirl 2.45 Darts and Snooker.
12.15 am Frank Zappa: Does Humous
Belong in Music? GRAMPIAN

1.20 pm UFO. 12.15 am Hammer House of Mystery and Suspenso. HTY

TELEVISION AND RADIO

Rider. 12.15 am Seturday SCOTTISH 1.20 pm Hart to Hart. 12.15 am Late Call.

9.50 am Gus Honeybun's Megic Birthdays. 9.52 Disney Cartoons. 11.57 TSW News. 1.20 pm Fisheries News. 1.35 Survival. 2.05 Walt Disney pre-sents. 5.05 Newsport. 5.10 Block-busters. 12.15 am Digance At Work. 12.45 Postscript.

TVS 11.57 am TVS Weether. 1.20 pm The Fall Guy. 12.15 am Frank Zappe: Does Humour Belong in Music?. 1.20

TYNE TEES 1.20 pm The Bionic Women. 12.15 am Keys For The New Year. ULSTER

11.58 am Lunchtime News. 1.20 pm UFO. 4.55 Sports Results. 5.03 Uister News. 9.42 Uister News. 12.16 am News At Bedtime. YORKSHIRE

1.20 pm Tucker's Witch. 12.15 am Live from Wilebski's. 12.46-8.00 Music Box.

Stereo on VHF

BBC RADIO 3

Shortarcouch (Symphony No. 5) 9.20.

8.05 am David Jacoba. 10.00 Sounds
Of The 60s. 11.00 Album Time with
Peter Clayton. 1.00 pm Redio Active.
1.30 Sport On 2: Football: Recing from
Newbury: Cricket (The Benson and
Hedges Challenge): Yachting (America's
Cup): 5.00 Sports Report. 6.00 I'm
Sorry I haven't A clue with charmon
Humphrey Lyttelton. 6.30 Look What
They'va Done To My Song. 7.00 Best
The Record. 7.30 Tha Romance Of
Vienne. 9.30 String Sound. 10.05
Martin Keiner. 12.05 am Night Owls
with Dave Gelly. 1.00 Jasm Chellis
presents Nightride. 3.00-4.00 The
Metropole Orchestra.

BBC RADIO 3

BBC RADIO 3

7.00 am News. 7.05 Aubade. 9.00
News. 9.05 Record Review. 10.15
Stereo Release. 10.55 Cello and Piano,
sonatas by Kabalevaky and Ethal
Smyth. 11.45 Robert Mayer Concert.
1.00 pm News. 7.05 Takecs String
Quartet. 2.05 The Schubert Piano
Sonates 3.00 Bruno Walter, the German conductor and planist, in records
of Mozart. Brahms (mono). Wagner
and Mahler (mono). 5.00 Jazz Record
Requests. 5.46 Critics' Forum. 6.35
T Nederlandse Orgal (organ music by
Sweelinck and his pupilis). 7.25 BBC
Welsh Symphony Orchestra in Germany,
part 1: Waber (Overture: Euryanthe),
Mozart (Sinfonia Concertante with Iona
Brown (violin), Josef Suk (viola)).
8.15 After a Night Out with the

pondent, 11.55 The Weekend on 4.
12.00 News; Money Box. 12.27 pm
'Quote . . . Unquote' (S). 12.55
Weather. 1.00 News: 1.10 Any Questions? 1.55 Shipping Forecast. 2.00
News; Literary Wives. 2.30 The Afternoon Play (S). 4.00 News: International Assignment. 4.30 What Prica Wildlife?
5.15 Trains Stopped Play. 5.25 I Had the Misery Thursday. 5.50 Shipping

5.15 Trains Stopped Play, 5.25 I Had the Misery Thursday, 5.50 Shipping Forecast, 5.56 Weather; Travel 6.00 News; Sports round-up, 6.25 Stop the Week (5), 7.00 Saturday Night Theatre (5), 8.30 Baker's Dozen (5), 9.30 Thriller! 9.50 Ten to Ton (5), 10.00 News, 10.75 The Saturday Feature ("Bluebird, Campbell and Conlaton") 10.45 The Enthusiast 11.00 Tales from the Meusoleum Club (5), 11.30 The Cabaret Upstairs (5), 12.00-12.15 a.m. News.

Seviour's Church, Guildford. 9.00
Your Hundred Best Tunes. 10.5 Songs
From The Shows. 10.45 Jules Ruben
. . . at the prano. 11.00 Sounds Of
Jezz with Tony Russell. 1.00 am
Jeen Challis prasents Nightride.
3.00-4.00 A Little Night Music.

### SUNDAY

BBC 2

t Indicates programme to black and white

8.55 am Piay School. 8.15 Umbrelle. 9.30 This is the day. 10.00 Asian Maga-zine. 10.30 Grast Experiments. 10.55 Buongiorno Italial. 11.20 With a Little help from the Chip. 12.10 pm See Hear 12.35 Farming. 12.58 Weather for Farmers. 1.00 News Headlines. 1.05-Bananze. 1.50 Cartoon. 2.00 East-

Bononza. 1.50 Cartoon. 2.00 East-Enders.
3.00 Match of the Day Live: Totten-ham Hotspur v Arsenal. 4.55 Bugs Bunny. 5.10 The Diary of Anne Frank. 5.40 Antiques Roadshow. 6.25 News. 6.40 Songs of Praise. 7.15 Last of the Summer Wine. 7.50 Crisis 9.45 Master-pind. 10.15 News. 10.94 Exercipan. mind. 10.15 News. 10.30 Everymen The Mighty Quinn. 11.10 Designers.

BBC 2

9.45 am Open University. 70.10
Whirlybirds. 10,35 The Charlie Brown and Snoopy Show. 10.55 Blue Peter Review of the Year. 11.30 The Monkess. 11.50 Laramis. 12.40 pm Windmill. 1.40
Rugby Special. 2.20 Maestro, 3.00 Flm: "Operation Petiticost," starring Cary Grant and Tony Curtis.

4.55 Music in Camere: The Lindsay Quartet play Besthoven. 5.45 Ski Sunday. 6.30 The Money Programms. 7.15 Seventy Summers. 7.50 Film: "The Return Of The Soldiar," 19.30 Jazz Week: Jazz et the Philhermonic, 10.15-12.00 Film: "Coast to Coast," starring Lanny Henry and John Sea.

LONDON

LONDON
6.55 am TV-am Breakfast Programme.
8.25 Wake Up London. 9.30 Fraggle
Rock. 10.00 Krazy Kitchen. 10.30 The
Adventures of Black Beauty. 11.00.
Morning Worship. 12.00 There is no
limit. 12.30 pm Lischtenatein: A Princely
Heritage. 1.30 Link. 2.00 Encounter.
2.30 LWT News Headlines followed by
Snooker — Mercantile Credit Classic.
14.15 "The Colditz Story," starring
John Mills and Eric Portman.
6.00 Bullseys. 6.30 News. 6.40 Appeal
—Jane Asher on behalf of SENSE, 6.35
Highway. 7.15 Catchphrase. 7.46
Murdor, Mystery, Suspense. 9.30 News.
9.45 Rat in the Skull. 11.15 pm LWT
News Headlines followed by Snooker—
Mercantile Credit Classic.
CHANNEL 4 LONDON

CHANNEL 4 9.25 am Sunday East. 10.00 Glacier Express. 11.00 Worzel Gummidge. 11.30 The Weltons. 12.30 pm Swank— The Scrap Book. 2.00 Pob's Programme. 2.30 Viva Verons. 5.25 News Summary followed by World Alive: Spain. 6.00 American Footbell. 7.15 The World at Wer. 8.15 Jeffray Tate. 9.25 The Gourmet. 110.20 "From Here to Eternity."

S4C WALES S4C WALES

9.20 am Hatoc Trevor. 10.05 Santa's Pocket Watch. 10.30 The Snowman. 11.00 Worzel Gunmidge. 11.30 The Waltons. 12.30 pm Swank — The Scrap Book. 2.00 The World of Animation. 12.15 Feature Film: "The Secret Garden." 4.00 Callas Sings Tosca. 5.00 Nightmall II. 6.00 pm American Footbell. 7.15 Rebacca. 7.20 Newyddion. 7.30 Aled. 8.00 Pobol y Cwm. 8.30 Dechrau Canu, Dechrau Canuelle Gwynlfyn. 9.35 Teulu Mewn Tywyllwch. 110.35 Feature Film: "Winchester '73" starring James Stewart.

**ANGLIA** 

IBA Regions as London except at the following time 9.25 am Cartoon Time. 12.30 pm A Place For The People. 1.00 The Beverly Hillibiles. 1.25 Weether Trends. 1.30 Farming Diary. 12.45 am Welking In The Light. BORDER

9.25 am Border Diary. 4.15 pm Curling—Review of 1988, 5.30 Look Who's Talking: Stan Boardman. CENTRAL 9.25 am Max The 2000 Year Old Mouse, 12.30 pm Contrests, 1.00 Link. 1.30 Here And Now, 12.15 am Job-

CHANNEL 9.25 am Today's Weather. 9.26 Searting Point 1.30 pm Nature of Things. GRAMPIAN

9:25 am Cartoon, 11.30 A Personal View, 1.30 pm Pruitts of Southampton, 4.15 Benson, 4.45 The Smurts, 5.00 Bullseys, 5.30 Scotsport, 12.15 am GRANADA 9.25 am Max the 2000-yeer-old Mouse.
12.30 pm The Munsters. 1.00 Woody
Woodpecker. 1.05 Asp Kee Hak. 1.10
Wish You Were Here. . . 7 1.40 This
Is Your Right. 6.00 Candid Camera.

HTV



SCOTTISH

9.25 am Peter's Adventures. 11.25 Survival. 11.50 Cenadian Documentary. 1.30 pm The Smurfs. 2.00 Let the Children Sing. 2.30 Snooker. 4.15 Race Round Britain. 5.00 Bullseye. 5.30 Scotsport. 12.15 am Late Call.

\$ 25 am Look And See. 12.30 pm Kids And Other People. 12.55 Postscript Diary. 1.00 The South West Week, 1.30 Farming News. 6.35 TSW News. 12.15 am Postscript Postbag. 12.20 South West Weather and Shipping Forecast.

TVS

ULSTER

YORKSHIRE

BBC RADIO 3

BBC RADIO 3

7.00 am Newa. 7.05 La Petits Banda.
8.00 The Musician's Musician. 8.00
Newa. 9.05 Your Concort Choice. 10.30
Music Weekly. 11.15 Josef Suk.
12.15 pm From The Proms London
Philharmonic Orchestra conducted by
Bernard Haltink: Elgar (Enigma Vorianions): (12.45 Interval Reading): 12.55
Shostakovich (Symphony No 10). 2.00
From the Festivals. Mozart's "The
Marriage of Figero" at lest year's
Salisburg Fastival (In Italian). Acts. 1
and 2. 3.40 Ivory Towers and Glass
Houses. 4.00 From the Festivals:
"Figero." Acts. 3 and 4. 5.30 New
Premises (Arts review with Migot'
Androws). 6.15 Envy. Motrod and
Malice. 6.45 Liszt and the Pinno
(Recital by Michele Campanella). 7.35
Breaklast with a Snowmon. 7.55 RBC
Scottish Symphony Orchestra 8.50
Lay A Garland. 10.00 Currents From A
Northern Land (Recent Danish music
by Pelle Gudmundsun Holmgrann.
Axel Borup-Jorgensen and Per Norgaard). 11.30 Chopin. piano music
played by Murray Porshia. 11.57-12.00.
News.

### The Diary of Anne Frank, BBCI, 5.10

TYNE TEES 9.25 am Hello Sunday. 12.30 pm Shorr Story Theatre. 1.00 Farming Out-look. 12.15 am Keys for the New Year.

12.30 pm The Last Frontier. 12.58 Lunchtime News. 1.00 Link. 1.30 Farming Ulster, 1.58 Farming weether, 6.38 Ulster News. 9.42 Ulster News. 12.15 am Sports Results, 12.20 News et Bedtime.

9.25 am Gertoon Time. 12.30 pm The Smurts. 1.00 Link. 1.25 Farming 8.30 Sunday, Maif-Hour from St

Nature Of Things. 6.25 TVS News. Diary followed by Farming and Inshore 12.15 am Company. Weather. 12.15 am Five Minutes.

BBC RADIO 2 Stores on VHF

Stores on VHF
7.30 am Roger Royle says Good
Morning Sunday. 9.05 Meloding For
You. 11.00 Judith Chalmers with your
Radio 2 All-Time Greats. 2.00 pm
Benny Green. 3.00 Alan Dell with
Sounds Essy. 4.00 Peter Murrison
Sings with the Langham Orchestre.
4.30 Sing Something Simple with the
Cliff Adams Singers. 5.00 Charlio
Chester with your Sunday Soaphor.
7.00 Living With Betty. 7.30 Operetta
Nights presented by Nigel Douglas.

RADIO 4

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7.00 am News. 7.15 On Your Farm.
7.40 Sunday. 8.50 The Week's GoodCause. 8.55 Weather: Travel. 9.00
News. 9.10 Sunday Papers 9.15 Letter
from America by Aisstair Conke. 9.20
Morning Service (S). 10.15 The
Archers. 17.15 Prec of the Work (S).
12.15; pm Desert Island Dices (S).
12.25 Weather. 1.00 The World Thes
Weekend. 1.55 Supping forecast 2.00
Gardeners' Question Time. 2.30 The
Afternoon Play (S). 3.20 The Tommy
Smith Story. 4.00 Naws; Not All Blood
And Bandages. 5.00 News; Travel. 5.05
Down Your Way. 5.50 Shipping forecast. 5.55 Weether. 6.00 Naws. 6.15
Actuality. 7.00 Secret Lives (S).
8.00 Bookshelf. 8.30 A Word in
Edgoways. 9.00 News; Some Mother's
Son (S). 9.30 The Press Barons: (1)
Robert Maxwell. 9.55 Weather; Travel.
10.00 News. 10.15 The Sunday Feature.
(S). 11.00 Before the Ending of the
Day (S). 11.15 Rodin; The Truth From
Within. 11.45 Tales From A Palm
Court. 12.00-12.15 and News.